



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR END JUNE 30, 2002

SANDY CITY

10000 Centennial Parkway

Sandy, Utah 84070

Comprehensive Annual Financial Report

For the year ended June 30, 2002

Prepared by:

Department of Finance

Arthur D. Hunter, Administrative Services Director

Blair W. Fuller, Deputy Financial Director

Glade G. Jardine, Governmental Funds Controller

Helen R. Kurtz, Enterprise Funds Controller

**SANDY CITY, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2002
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INTRODUCTORY SECTION

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandy City,
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

SANDY CITY

Elected Officials

Mayor Thomas M. Dolan

City Council - At Large Linda Martinez-Saville

City Council - At Large Cricket Raulston

City Council - At Large John B. Winder

City Council - District 1 Scott L. Cowdell

City Council - District 2 Dennis B. Tenney

City Council - District 3 Bryant F. Anderson

City Council - District 4 Don A. Pott

Appointed Officials

Chief Administrative Officer Byron D. Jorgenson

Assistant Chief Administrative Officer Shane E. Pace

City Attorney Walter R. Miller

Administrative Services Director Arthur D. Hunter

Chief of Police Stephen M. Chapman

Fire Chief Don Chase

Public Works Director Rick E. Smith

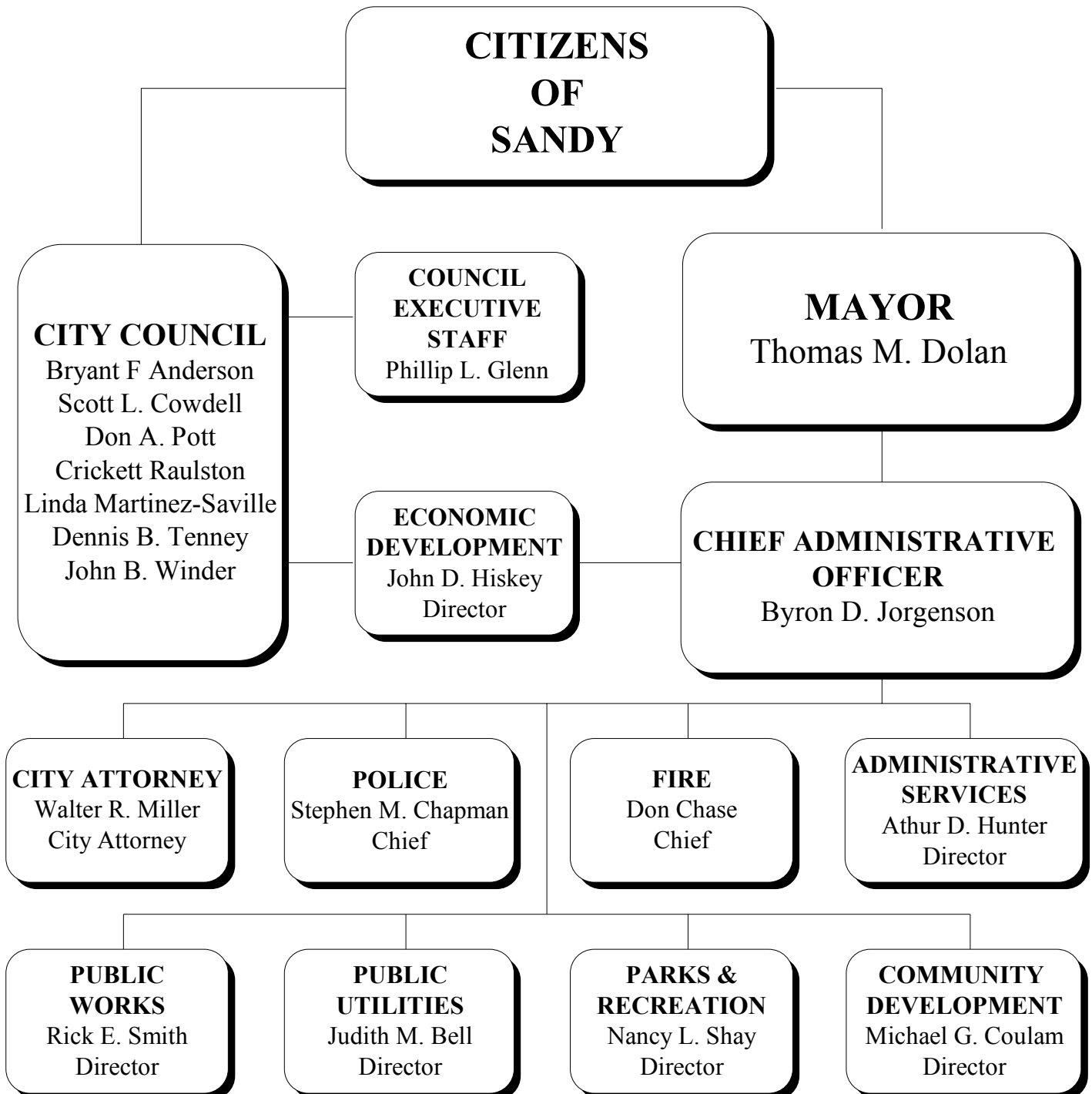
Public Utilities Director Judith M. Bell

Parks and Recreation Director Nancy L. Shay

Community Development Director Michael G. Coulam

Economic Development Director John D. Hiskey

SANDY CITY ORGANIZATIONAL STRUCTURE



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October 15, 2002

Honorable Mayor and
Members of the City Council
Sandy City

The Comprehensive Annual Financial Report (CAFR) of Sandy City (the City), for the fiscal year ended June 30, 2002 is submitted herewith. Utah State law requires that first class cities "present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States, as prescribed in the Uniform Accounting Manual for Utah Cities." This report, which fulfills this requirement, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This CAFR has been prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Likewise, the "Notes to the Financial Statements" are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented in this report.

This CAFR is presented in three main sections: Introductory, Financial, and Statistical. First, the Introductory section provides a narrative introduction to the financial statements. Next, the Financial section includes: 1) Report of Independent Certified Public Accountants, 2) General Purpose Financial Statements (GPFS), 3) Notes to the Financial Statements, and 4) supplemental statements and schedules. The GPFS are the City's basic financial statements and provide an overview for users who require less detailed information about the City's finances. More detailed information is presented in the supplemental statements and schedules which focus on individual funds. Finally, the Statistical section which is unaudited includes selected financial and general information. This additional information is designed to: 1) cover more than two fiscal years, 2) reflect both social and economic data, and 3) provide information relating to financial trends and fiscal capacity of the City.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are published under separate cover.

The financial reporting entity (The City) includes all of the funds and account groups of the primary government (i.e., the City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection; park construction and maintenance; street construction and maintenance; public improvements; engineering; building inspection; planning and zoning; and administrative services. The City also operates water, waste collection, electric utilities, storm water utilities, and recreation services as enterprise funds. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Sandy Redevelopment Agency is reported as a special revenue fund of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they

are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Alta Canyon Recreation Special Service District is reported as a discretely presented component unit.

GENERAL INFORMATION

Sandy, about 13 miles south of Salt Lake City, was settled in 1863 as a pioneer farming village. With the discovery of rich ores in Little Cottonwood Canyon and the shipping of the stone for the construction of the Salt Lake Temple, Sandy became a focal shipping point and booming mining town. As a result, Sandy became a city in 1893 and hired a sheriff to keep the miners in line.

One by one the mines closed around 1900. Sandy then became a small farming community again and remained that way until about 1970. For the past several years, Sandy has numbered among the fastest growing suburban cities in the United States. The population increased from 6,438 in 1970 to 88,419 in the year 2000. Sandy's growth has been due to the City's close proximity to Salt Lake City and to the Alta and Snowbird ski resorts.

ECONOMIC CONDITION AND OUTLOOK

Sandy City is the fourth largest city in Utah and has experienced a 50% increase in population between 1980 and 2000. While residential growth continues, it has slowed to about 189 dwelling units per year.

While Sandy City has felt the effects of the nation's economic recession, its growing commercial base and conservative budget policies have allowed the City to remain fiscally strong. The recent addition of several well-known retailers has been instrumental in helping Sandy City through these tough economic times. The City will continue to expand its commercial base to help ensure continued growth and improved quality of life for its citizens.

MAJOR INITIATIVES

2003 Budget. The City Council approved a balanced budget for the upcoming fiscal year. The budget includes more than \$1.8 million in additional ongoing revenue in the General Fund. This increase in revenue will allow the City to fund significant programs such as hiring an Emergency Operations Coordinator to manage the City's emergency resources and further organize the City's Emergency Operations Center; hiring a full-time Crime Prevention Specialist and a Crime Analyst; and filling a new full-time position to help keep the now fully developed Lone Peak Park well maintained and beautiful.

This year's budget also establishes a beneficial and much-needed employee retirement health program that will help employees pay for health care costs upon retirement. In addition, while many governmental entities in Utah and across the country are cutting their work force through layoffs, Sandy City's approved budget allows for a 1.5% cost-of-living adjustment and a modest merit increase in pay.

The City's "rainy day" fund has been increased by \$400,000, leaving a total of \$4.3 million in the General Fund that is set aside to be used in the event of an emergency or further harsh economic times.

Capital Projects. Sandy City received almost \$1.2 million in one-time money through the State from the Salt Lake Organizing Committee. This money, combined with budget savings from previous fiscal years, contributed to the \$1.8 million that is set aside for road projects, which includes \$250,000 to repair hazardous sidewalks throughout the City. Almost \$1.2 million has been set aside for park improvement projects such as the completion of the Lone Peak Park Pavilion.

FINANCIAL INFORMATION

Unlike a private business, which is accounted for as a single entity, a governmental unit is accounted for through several separate funds and account groups. Each fund (or account group) is a distinct self-balancing accounting entity.

The accounting records for the governmental fund types and the expendable trust funds are maintained on the modified accrual basis. Under this method of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. Expenditures are recognized when goods and services are received. The accounting records for the proprietary fund types are maintained on the full accrual basis. This method of accounting is essentially the same as private enterprise accounting.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Accounting Principles Generally Accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. Also, as part of the City's single audit (published under separate cover), the internal control structure, including that portion related to federal financial assistance program, is evaluated and tests are made to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2002 disclosed no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

In addition, comprehensive budgets are an essential element in governmental accounting and financial control. Therefore, budgets are adopted annually (required by Utah State law) by the City Council for all funds except Debt Service Funds used to account for special assessments and the Expendable Trust Funds which are subject to compensating controls. Utah State law also requires: 1) a balanced budget for each individual fund, however, Redevelopment Agencies are allowed to incur debt previous to the triggering of the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in "emergencies" (natural disasters). Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures.

General Fund. General Fund revenues totaled \$36,149,845 in fiscal year 2002, an increase of 2.3% from fiscal year 2001. Property tax, sales tax, intergovernmental revenue and franchise tax constitute the main sources of revenue. In fiscal year 2002, taxes generated 74.3% of General Fund revenues compared to 72.7% in fiscal year 2001. The amount of revenues from various sources and the increase or decrease over last year are shown in the following tabulation:

Revenue Source	2002		2001		Increase (Decrease) From 2001	
	Amount	% of Total	Amount	% of Total	Amount	Percent
General Property Tax	\$ 6,746,658	18.7%	\$ 5,737,847	16.2%	\$ 1,008,811	17.6%
General Sales & Use Taxes	14,740,321	40.7	14,773,043	41.8	(32,722)	-0.2
Franchise Tax	4,501,770	12.5	4,435,823	12.6	65,947	1.5
Motor Vehicle Fee	867,215	2.4	721,930	2.1	145,285	20.1
Licenses & Permits	1,690,617	4.7	1,818,123	5.1	(127,506)	-7.0
Intergovernmental Revenue	3,136,962	8.7	3,757,072	10.6	(620,110)	-16.5
Charges for Service	1,269,255	3.5	1,192,235	3.4	77,020	6.5
Administrative Charges	903,510	2.5	764,738	2.2	138,772	18.1
Fines & Forfeitures	2,175,221	6.0	1,888,085	5.3	287,136	15.2
Miscellaneous	118,316	0.3	235,874	0.7	(117,558)	-49.8
Total Revenues	\$36,149,845	100.0%	\$35,324,770	100.0%	\$ 825,075	2.3%

The slight decrease in General Sales and Use Taxes is mainly due to the nation's economic recession. Motor Vehicle Fees increased because their disbursement is now apportioned on the tax rate for each tax district instead of by percent of collection as they have been in the past. The decreases in Licenses & Permits reflect a slowing of the fast paced construction experienced in the prior year. Because the US Census Bureau counted Sandy City's population at 88,419 as opposed to the expected 102,000, the State Road Allotment, which is based on City population, showed a \$441,541 decrease from last year. That, along with moving the accounting for several Federal Police grants from the General Fund to Expendable Trust Funds, caused the decrease in Intergovernmental Revenue. Administrative Charges are internal charges within the City. These internal charges have increased due to recalculating the cost associated with providing these services. Fines and Forfeitures are up due to increased collection efforts and a higher volume of citations. Miscellaneous revenues have decreased as a result of lower interest rates and one-time revenue from property sales which occurred in 2001. All other revenues reflect normal fluctuations associated with a growing commercial base and the City's steady economy.

General Fund expenditures totaled \$30,939,343 in fiscal year 2002, an increase of 9.7% over fiscal year 2001. Changes in levels of expenditures for major functions are shown on the next page. Increased personnel costs account for \$1,847,136 of the total expenditure increase. Repair and maintenance of infrastructure accounts for approximately \$489,235 of the total increase. Funding of special programs also increased by \$232,682. The remaining \$155,178 corresponds to miscellaneous increases within the departments.

Function	2002		2001		Increase (Decrease) from 2001	
	Amount	% of Total	Amount	% of Total	Amount	Percent
General Government	\$ 6,640,662	21.5%	\$ 6,112,336	21.7%	\$ 528,326	8.6%
Public Safety	16,025,672	51.8	14,509,321	51.4	1,516,351	10.5
Public Works	4,183,238	13.5	3,755,793	13.3	427,445	11.4
Parks and Recreation	2,366,629	7.6	2,035,922	7.2	330,707	16.2
Community Development	1,723,142	5.6	1,801,740	6.4	(78,598)	-4.4
Totals	\$ 30,939,343	100.0%	\$ 28,215,112	100.0%	\$ 2,724,231	9.7%

General Fund unreserved fund balance totaled \$3,939,277 at June 30, 2002, an increase of \$230,000 from fiscal year 2001. The fund balance falls within guidelines established by Utah State Law which allows the accumulation of unreserved balance to a maximum of 18% of the total estimated revenues in the 2003 budget. Any fund balance in excess of 5% of the total estimated revenues may be utilized for budget purposes. Accordingly, the maximum and minimum unreserved fund balance accumulations are \$6,831,341 and \$1,897,595 respectively.

Fiduciary Operations. The City's fiduciary fund type is composed of the Expendable Trust Fund. The Expendable Trust Fund is used to account for individual, private and intergovernmental contributions held in trust by the City for a specific purpose.

Enterprise Operations. The City's enterprise operations are comprised of the following Funds: Water, Waste Collection, Electric Utilities, Storm Water Utilities, Recreation Fund, and the Golf Fund.

Waste collection charges cover the costs of services provided by an independent contractor, costs of maintaining a landfill under the Trans-Jordan Cities Joint Venture agreement, costs of bulky waste pick-up and the costs of utility billing services.

The most significant enterprise function is the Water Fund. Water Fund comparative data for the past five years are presented in the following tabulation:

	2002	2001	2000	1999	1998
Operating Revenues	\$13,052,346	\$10,918,387	\$9,993,325	\$8,620,155	\$8,283,310
Operating Expenses	6,969,192	6,240,341	6,538,517	5,816,145	5,688,787
Operating Income Before Depreciation	6,083,154	4,678,046	3,454,808	2,804,010	2,594,523
Depreciation	2,208,261	2,209,383	2,038,448	1,852,398	1,760,838
Operating Income	3,874,893	2,468,633	1,416,360	951,612	833,685
Non-Operating Income (Expense) - Net	1,023,427	(117,838)	(936,114)	(264,084)	(80,872)
Net Income	4,898,320	2,350,825	480,246	687,528	752,813
Unreserved Retained Earnings	\$13,435,769	\$8,537,449	\$6,186,624	\$5,706,378	\$5,018,850

Debt Administration. On June 30, 2002 Sandy City had outstanding general obligation bonds totaling \$5,735,000 which is direct tax supported debt. In addition, \$1,975,000 of special assessment bonds; \$29,955,000 of revenue bonds; \$1,205,000 of tax increment bonds; and \$2,140,000 notes payable in connection with a HUD Section 108 loan are outstanding. In the Enterprise Funds there are \$17,320,759 in outstanding revenue bonds.

Cash Management. Cash, temporarily idle during the year, was invested in the Utah State Treasurer's investment pool. Furthermore, all available cash is pooled for investment and money management purposes. Interest income is allocated to all funds based on the percentage in the investment pool. Total interest earnings for fiscal year 2002 is \$1,402,544 a decrease of \$1,335,907 compared with total interest earnings for fiscal year 2001 of \$2,738,451. During fiscal year 2002 the City held deposits which were neither insured nor collateralized. In lieu of collateralizing, the Utah Money Management Act requires the depositing of the City's funds in a "qualified depository". Thus, the City's investments, although uninsured and uncollateralized, have compensating controls.

Risk Management. The City has a general liability policy with a \$500,000 self insured retention per occurrence with limits of \$7,000,000 per occurrence.

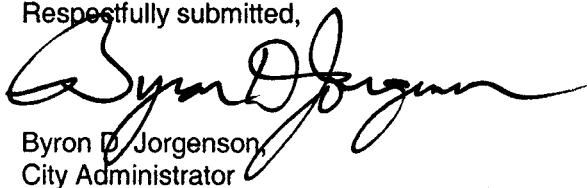
OTHER INFORMATION

Independent Audit. As required by Utah State law, an annual audit has been made by Independent Certified Public Accountants. The Report of Independent Certified Public Accountants, as prepared by Wisan, Smith, Racker & Prescott, LLP, is included within the Financial Section of this report. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements related to Office of Management and Budget Circular A-133. The Independent Certified Public Accountants' reports related specifically to the single audit are presented under separate cover.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2001. This was the fifteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both Accounting Principles Generally Accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Sandy City, preparation of this report would not have been possible.

Respectfully submitted,


Byron D. Jorgenson,
City Administrator


Arthur D. Hunter,
Administrative Services Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Sandy, Utah

We have audited the accompanying general purpose financial statements of the City of Sandy, Utah (the City), as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Sandy, Utah, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

132 PIERPONT AVENUE, SUITE 250
SALT LAKE CITY, UTAH 84101
FAX (801) 328-2015
(801) 328-2011

MEMBER
UTAH ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

LICENSED TO PRACTICE IN UTAH, WYOMING, NEVADA, NEW MEXICO AND IDAHO
MEMBER AICPA SEC PRACTICE SECTION



AN INDEPENDENT MEMBER OF BDO SEIDMAN ALLIANCE

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. The other information listed in the table of contents under the statistical section has not been audited by us and accordingly, we express no opinion on such data.

Wison Smith Rader & Prescott, LLP

Salt Lake City, Utah
October 18, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

SANDY CITY**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2002**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
ASSETS AND OTHER DEBITS						
Cash and Cash Equivalents	\$3,694,782	\$2,600,085	\$743,882	\$10,257,328	\$8,116,036	\$6,920,683
Accounts Receivable - Net	34,339	-0-	53,641	139	3,537,001	-0-
Taxes Receivable - Net	3,275,104	-0-	-0-	-0-	-0-	-0-
Special Assessments Receivable	-0-	-0-	1,850,000	-0-	-0-	-0-
Due From Other Governmental Units	52,054	229,304	-0-	21,709	-0-	-0-
Due From Other Funds	-0-	-0-	-0-	-0-	4,225,300	-0-
Inventory	-0-	-0-	-0-	-0-	194,300	40,318
Other Assets	25,547	3,431	34,561	-0-	481,142	1,701
Restricted Assets:						
Cash and Cash Equivalents:						
State Road Funds	-0-	-0-	-0-	1,299,106	-0-	-0-
Special Improvement Guarantee Fund	-0-	-0-	258,500	-0-	-0-	-0-
Capital Projects	-0-	-0-	-0-	3,392,020	10,109,699	-0-
Debt Service	-0-	-0-	3,847,230	-0-	1,196,290	-0-
Deferred Charges	-0-	-0-	-0-	-0-	103,199	-0-
Investment in Water Stock, Rights, & Capacity	-0-	-0-	-0-	-0-	12,521,082	-0-
Investment in Joint Venture	-0-	-0-	-0-	-0-	4,663,731	-0-
Utility Plant In Service - Net	-0-	-0-	-0-	-0-	54,899,696	-0-
Machinery, Equipment, and Vehicles - Net	-0-	-0-	-0-	-0-	131,429	8,362,659
Construction In Progress	-0-	-0-	-0-	-0-	3,642,915	-0-
General Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-
Amount Available in Debt Service Fund	-0-	-0-	-0-	-0-	-0-	-0-
Amount to be Provided in Future Years For:						
Retirement of General Obligation Bonds	-0-	-0-	-0-	-0-	-0-	-0-
Other General Long-Term Obligations	-0-	-0-	-0-	-0-	-0-	-0-
Total Assets and Other Debits	<u>\$7,081,826</u>	<u>\$2,832,820</u>	<u>\$6,787,814</u>	<u>\$14,970,302</u>	<u>\$103,821,820</u>	<u>\$15,325,361</u>

The accompanying notes are an integral part of this financial statement.

FIDUCIARY FUND TYPE TRUST AND AGENCY	ACCOUNT GROUPS		TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNIT ALTA CANYON RECREATION	TOTALS REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL LONG-TERM DEBT	GENERAL FIXED ASSETS			
\$661,345	\$ -0-	\$ -0-	\$32,994,141	\$98,815	\$33,092,956
-0-	-0-	-0-	3,625,120	-0-	3,625,120
-0-	-0-	-0-	3,275,104	11,100	3,286,204
-0-	-0-	-0-	1,850,000	-0-	1,850,000
-0-	-0-	-0-	303,067	-0-	303,067
-0-	-0-	-0-	4,225,300	-0-	4,225,300
-0-	-0-	-0-	234,618	-0-	234,618
-0-	-0-	-0-	546,382	-0-	546,382
-0-	-0-	-0-	1,299,106	-0-	1,299,106
-0-	-0-	-0-	258,500	-0-	258,500
-0-	-0-	-0-	13,501,719	-0-	13,501,719
-0-	-0-	-0-	5,043,520	-0-	5,043,520
-0-	-0-	-0-	103,199	-0-	103,199
-0-	-0-	-0-	12,521,082	-0-	12,521,082
-0-	-0-	-0-	4,663,731	-0-	4,663,731
-0-	-0-	-0-	54,899,696	1,804,951	56,704,647
-0-	-0-	-0-	8,494,088	63,486	8,557,574
-0-	-0-	-0-	3,642,915	-0-	3,642,915
-0-	-0-	60,644,349	60,644,349	-0-	60,644,349
-0-	4,702,927	-0-	4,702,927	-0-	4,702,927
-0-	5,735,000	-0-	5,735,000	-0-	5,735,000
-0-	31,566,394	-0-	31,566,394	-0-	31,566,394
\$661,345	\$42,004,321	\$60,644,349	\$254,129,958	\$1,978,352	\$256,108,310

(Continued)

SANDY CITY
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2002

LIABILITIES, EQUITY, AND OTHER CREDITS	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Liabilities:						
Accounts Payable	\$714,730	\$99,591	\$204,710	\$241,578	\$1,567,383	\$132,454
Wages, Salaries, and Benefits Payable	983,124	12,514	-0-	-0-	75,901	36,693
Claims and Judgments Payable	-0-	-0-	-0-	-0-	-0-	877,853
Due to Other Governmental Units	-0-	161,396	-0-	-0-	-0-	-0-
Due to Other Funds	-0-	-0-	-0-	-0-	4,225,300	-0-
Accrued Interest Payable	-0-	-0-	-0-	-0-	198,631	-0-
Deferred/Unearned Income	402,251	7,500	1,880,177	-0-	15,650	-0-
Performance Bonds/Customer Credits & Deposits	1,042,444	-0-	-0-	-0-	99,347	-0-
Compensated Absences Payable	-0-	-0-	-0-	-0-	-0-	1,193,399
Obligations Under Capital Leases	-0-	-0-	-0-	-0-	-0-	-0-
Notes Payable	-0-	-0-	-0-	-0-	-0-	-0-
General Obligation Bonds Payable	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Bonds Payable	-0-	-0-	-0-	-0-	17,320,759	-0-
Special Assessment Bonds Payable	-0-	-0-	-0-	-0-	-0-	-0-
Tax Increment Bonds Payable	-0-	-0-	-0-	-0-	-0-	-0-
Total Liabilities	3,142,549	281,001	2,084,887	241,578	23,502,971	2,240,399
Commitments and Contingencies						
Equity and Other Credits:						
Contributed Capital	-0-	-0-	-0-	-0-	45,877,788	964,918
Investment in General Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-
Retained Earnings:						
Reserved for Debt Service	-0-	-0-	-0-	-0-	1,358,970	-0-
Unreserved	-0-	-0-	-0-	-0-	33,082,091	12,120,044
Fund Balances:						
Reserved:						
State Road Funds	-0-	-0-	-0-	1,299,106	-0-	-0-
Capital Projects	-0-	-0-	-0-	3,392,020	-0-	-0-
Debt Service	-0-	-0-	4,105,730	-0-	-0-	-0-
Unreserved, undesignated	3,939,277	2,551,819	597,197	10,037,598	-0-	-0-
Total Equity and Other Credits	3,939,277	2,551,819	4,702,927	14,728,724	80,318,849	13,084,962
Total Liabilities, Equity and Other Credits	\$7,081,826	\$2,832,820	\$6,787,814	\$14,970,302	\$103,821,820	\$15,325,361

The accompanying notes are an integral part of this financial statement.

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNIT ALTA CANYON RECREATION	TOTALS REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL LONG-TERM DEBT	GENERAL FIXED ASSETS			
\$6,250	\$ -0-	\$ -0-	\$2,966,696	\$30,071	\$2,996,767
-0-	-0-	-0-	1,108,232	39,014	1,147,246
-0-	-0-	-0-	877,853	-0-	877,853
-0-	-0-	-0-	161,396	-0-	161,396
-0-	-0-	-0-	4,225,300	-0-	4,225,300
-0-	-0-	-0-	198,631	-0-	198,631
-0-	-0-	-0-	2,305,578	51,684	2,357,262
-0-	-0-	-0-	1,141,791	-0-	1,141,791
-0-	721,100	-0-	1,914,499	-0-	1,914,499
-0-	273,221	-0-	273,221	-0-	273,221
-0-	2,140,000	-0-	2,140,000	19,000	2,159,000
-0-	5,735,000	-0-	5,735,000	-0-	5,735,000
-0-	29,955,000	-0-	47,275,759	-0-	47,275,759
-0-	1,975,000	-0-	1,975,000	-0-	1,975,000
-0-	1,205,000	-0-	1,205,000	-0-	1,205,000
6,250	42,004,321	-0-	73,503,956	139,769	73,643,725
-0-	-0-	-0-	46,842,706	-0-	46,842,706
-0-	-0-	60,644,349	60,644,349	-0-	60,644,349
-0-	-0-	-0-	1,358,970	-0-	1,358,970
-0-	-0-	-0-	45,202,135	1,838,583	47,040,718
-0-	-0-	-0-	1,299,106	-0-	1,299,106
-0-	-0-	-0-	3,392,020	-0-	3,392,020
-0-	-0-	-0-	4,105,730	-0-	4,105,730
655,095	-0-	-0-	17,780,986	-0-	17,780,986
655,095	-0-	60,644,349	180,626,002	1,838,583	182,464,585
\$661,345	\$42,004,321	\$60,644,349	\$254,129,958	\$1,978,352	\$256,108,310

SANDY CITY**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002**

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
Revenues:				
Taxes and Special Assessments	\$26,855,964	\$3,733,041	\$737,909	\$1,167,867
Licenses and Permits	1,690,617	-0-	-0-	-0-
Intergovernmental	3,136,962	689,067	-0-	1,583,268
Charges for Services	1,269,255	-0-	-0-	-0-
Administrative Charges	903,510	-0-	-0-	-0-
Fines and Forfeitures	2,175,221	-0-	-0-	130,294
Building Rental	-0-	-0-	271,452	-0-
Interest	109,191	70,564	184,931	408,838
Miscellaneous	9,125	222,034	-0-	342,448
Fees from Developers	-0-	-0-	-0-	624,627
Total Revenues	36,149,845	4,714,706	1,194,292	4,257,342
Expenditures:				
Current:				
General Government	6,640,662	433,136	-0-	-0-
Public Safety	16,025,672	-0-	-0-	-0-
Public Works	4,183,238	-0-	-0-	-0-
Parks and Recreation	2,366,629	567,702	-0-	-0-
Community Development	1,723,142	324,241	-0-	-0-
Capital Outlay	-0-	722,454	1,902,608	8,769,354
Debt Service:				
Principal Retirement	-0-	-0-	3,501,756	-0-
Interest and Agents' Fees	-0-	-0-	2,574,691	-0-
Total Expenditures	30,939,343	2,047,533	7,979,055	8,769,354
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	5,210,502	2,667,173	(6,784,763)	(4,512,012)
Other Financing Sources (Uses):				
Long Term Debt Proceeds	-0-	-0-	1,710,710	-0-
Sale of Fixed Assets	-0-	-0-	-0-	10,202
Change in the Fair Value of Investments	(9,883)	(6,755)	(13,007)	(40,118)
Operating Transfers In	465,728	370,378	4,681,114	3,010,081
Operating Transfers Out	(5,436,347)	(2,377,573)	-0-	(925,316)
Total Other Financing Sources (Uses)	(4,980,502)	(2,013,950)	6,378,817	2,054,849
Excess (Deficiency) of Revenues and Other				
Financing Sources Over (Under) Expenditures and				
Other Financing Uses	230,000	653,223	(405,946)	(2,457,163)
Other Changes in Unreserved Fund Balances:				
Transfers From Reserved Fund Balances	-0-	-0-	-0-	3,006,091
Unreserved Fund Balance,				
Beginning of Year	3,709,277	1,898,596	1,003,143	9,488,670
Unreserved Fund Balance,				
End of Year	\$3,939,277	\$2,551,819	\$597,197	\$10,037,598

The accompanying notes are an integral part of this financial statement.

FIDUCIARY	
FUND TYPE	
EXPENDABLE	TOTALS
TRUST	(MEMORANDUM ONLY)
\$ -0-	\$32,494,781
-0-	1,690,617
80,000	5,489,297
32,153	1,301,408
-0-	903,510
-0-	2,305,515
-0-	271,452
12,831	786,355
446,038	1,019,645
-0-	624,627
571,022	46,887,207
444,545	7,518,343
-0-	16,025,672
-0-	4,183,238
-0-	2,934,331
-0-	2,047,383
-0-	11,394,416
-0-	3,501,756
-0-	2,574,691
444,545	50,179,830
126,477	(3,292,623)
-0-	1,710,710
-0-	10,202
(1,774)	(71,537)
-0-	8,527,301
-0-	(8,739,236)
(1,774)	1,437,440
124,703	(1,855,183)
-0-	3,006,091
530,392	16,630,078
\$655,095	\$17,780,986

SANDY CITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE
(GENERAL PURPOSES ONLY), AND CAPITAL PROJECTS FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2002

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes and Special Assessments	\$26,163,078	\$26,855,964	\$692,886	\$5,303,997	\$3,733,041	(\$1,570,956)
Licenses and Permits	1,629,000	1,690,617	61,617	-0-	-0-	-0-
Intergovernmental	3,389,201	3,136,962	(252,239)	730,000	689,067	(40,933)
Charges for Services	1,166,500	1,269,255	102,755	-0-	-0-	-0-
Administrative Charges	903,510	903,510	-0-	-0-	-0-	-0-
Fines and Forfeitures	1,780,900	2,175,221	394,321	-0-	-0-	-0-
Building Rental	-0-	-0-	-0-	-0-	-0-	-0-
Interest	184,900	109,191	(75,709)	144,500	70,564	(73,936)
Miscellaneous	11,000	9,125	(1,875)	202,200	222,034	19,834
Fees from Developers	-0-	-0-	-0-	-0-	-0-	-0-
Total Revenues	35,228,089	36,149,845	921,756	6,380,697	4,714,706	(1,665,991)
Expenditures:						
Current:						
General Government	7,262,465	6,640,662	621,803	541,869	433,136	108,733
Public Safety	16,030,415	16,025,672	4,743	-0-	-0-	-0-
Public Works	4,883,786	4,183,238	700,548	-0-	-0-	-0-
Parks and Recreation	2,367,018	2,366,629	389	583,078	567,702	15,376
Community Development	1,723,909	1,723,142	767	779,514	324,241	455,273
Capital Outlay	-0-	-0-	-0-	3,253,088	722,454	2,530,634
Debt Service:						
Principal Retirement	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Agents' Fees	-0-	-0-	-0-	-0-	-0-	-0-
Total Expenditures	32,267,593	30,939,343	1,328,250	5,157,549	2,047,533	3,110,016
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	2,960,496	5,210,502	2,250,006	1,223,148	2,667,173	1,444,025
Other Financing Sources (Uses):						
Long Term Debt Proceeds	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-
Change in the Fair Value of Investments	-0-	(9,883)	(9,883)	-0-	(6,755)	(6,755)
Operating Transfers In	465,728	465,728	-0-	370,378	370,378	-0-
Operating Transfers Out	(3,196,224)	(5,436,347)	(2,240,123)	(2,404,082)	(2,377,573)	26,509
Total Other Financing Sources (Uses)	(2,730,496)	(4,980,502)	(2,250,006)	(2,033,704)	(2,013,950)	19,754
Excess (Deficiency) of Revenues and Other						
Financing Sources Over (Under) Expenditures and						
Other Financing Uses	230,000	230,000	-0-	(810,556)	653,223	1,463,779
Other Changes in Unreserved Fund Balances:						
Transfers (To) From Reserved						
Fund Balances	-0-	-0-	-0-	-0-	-0-	-0-
Unreserved Fund Balance,						
Beginning of Year	3,709,277	3,709,277	-0-	485,568	1,898,596	1,413,028
Unreserved Fund Balance,						
End of Year	\$3,939,277	\$3,939,277	\$ -0-	(\$324,988)	\$2,551,819	\$2,876,807

The accompanying notes are an integral part of this financial statement.

DEBT SERVICE FUNDS (NOTE 21)			CAPITAL PROJECTS FUND			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$444,044	\$487,030	\$42,986	\$ -0-	\$1,167,867	\$1,167,867	\$31,911,119	\$32,243,902	\$332,783
-0-	-0-	-0-	-0-	-0-	-0-	1,629,000	1,690,617	61,617
-0-	-0-	-0-	2,092,000	1,583,268	(508,732)	6,211,201	5,409,297	(801,904)
-0-	-0-	-0-	134,000	-0-	(134,000)	1,300,500	1,269,255	(31,245)
-0-	-0-	-0-	-0-	-0-	-0-	903,510	903,510	-0-
-0-	-0-	-0-	-0-	130,294	130,294	1,780,900	2,305,515	524,615
271,452	271,452	-0-	-0-	-0-	-0-	271,452	271,452	-0-
133,655	159,653	25,998	494,000	408,838	(85,162)	957,055	748,246	(208,809)
-0-	-0-	-0-	99,098	342,448	243,350	312,298	573,607	261,309
-0-	-0-	-0-	578,354	624,627	46,273	578,354	624,627	46,273
849,151	918,135	68,984	3,397,452	4,257,342	859,890	45,855,389	46,040,028	184,639
-0-	-0-	-0-	-0-	-0-	-0-	7,804,334	7,073,798	730,536
-0-	-0-	-0-	-0-	-0-	-0-	16,030,415	16,025,672	4,743
-0-	-0-	-0-	-0-	-0-	-0-	4,883,786	4,183,238	700,548
-0-	-0-	-0-	-0-	-0-	-0-	2,950,096	2,934,331	15,765
-0-	-0-	-0-	-0-	-0-	-0-	2,503,423	2,047,383	456,040
-0-	-0-	-0-	19,014,421	8,769,354	10,245,067	22,267,509	9,491,808	12,775,701
3,381,756	3,381,756	-0-	-0-	-0-	-0-	3,381,756	3,381,756	-0-
2,338,804	2,338,614	190	-0-	-0-	-0-	2,338,804	2,338,614	190
5,720,560	5,720,370	190	19,014,421	8,769,354	10,245,067	62,160,123	47,476,600	14,683,523
(4,871,409)	(4,802,235)	69,174	(15,616,969)	(4,512,012)	11,104,957	(16,304,734)	(1,436,572)	14,868,162
177,204	176,954	(250)	-0-	-0-	-0-	177,204	176,954	(250)
-0-	-0-	-0-	-0-	10,202	10,202	-0-	10,202	10,202
-0-	(10,725)	(10,725)	-0-	(40,118)	(40,118)	-0-	(67,481)	(67,481)
4,720,135	4,681,114	(39,021)	757,397	3,010,081	2,252,684	6,313,638	8,527,301	2,213,663
-0-	-0-	-0-	(1,270,678)	(925,316)	345,362	(6,870,984)	(8,739,236)	(1,868,252)
4,897,339	4,847,343	(49,996)	(513,281)	2,054,849	2,568,130	(380,142)	(92,260)	287,882
25,930	45,108	19,178	(16,130,250)	(2,457,163)	13,673,087	(16,684,876)	(1,528,832)	15,156,044
-0-	-0-	-0-	7,697,217	3,006,091	(4,691,126)	7,697,217	3,006,091	(4,691,126)
149,226	164,255	15,029	1,814,072	9,488,670	7,674,598	6,158,143	15,260,798	9,102,655
\$175,156	\$209,363	\$34,207	(\$6,618,961)	\$10,037,598	\$16,656,559	(\$2,829,516)	\$16,738,057	\$19,567,573

SANDY CITY**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN UNRESERVED RETAINED EARNINGS -
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2002**

	PROPRIETARY FUND TYPES		TOTALS PRIMARY	COMPONENT UNIT	TOTALS REPORTING ENTITY
	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	GOVERNMENT (MEMORANDUM ONLY)	ALTA CANYON RECREATION	(MEMORANDUM ONLY)
Operating Revenues:					
Charges for Sales and Services	\$19,034,655	\$5,524,765	\$24,559,420	\$907,461	\$25,466,881
Operating Expenses:					
Salaries and Benefits	2,819,310	1,381,036	4,200,346	-0-	4,200,346
Contract Services	2,560,956	-0-	2,560,956	575,211	3,136,167
Office Expenses and Supplies	390,858	188,843	579,701	51,556	631,257
Facilities Supplies and Maintenance	352,745	-0-	352,745	46,619	399,364
Equipment Supplies and Maintenance	-0-	957,606	957,606	14,459	972,065
Transportation	482,798	-0-	482,798	333	483,131
Utilities	818,157	-0-	818,157	67,741	885,898
Source of Water Supply	2,776,894	-0-	2,776,894	-0-	2,776,894
Street Lighting	376,951	-0-	376,951	-0-	376,951
Professional Services	470,059	23,487	493,546	48,451	541,997
Insurance	327,828	1,129,543	1,457,371	32,370	1,489,741
Administrative Charges	688,218	171,424	859,642	-0-	859,642
Landfill Costs	525,915	-0-	525,915	-0-	525,915
Recreation Programs	422,249	-0-	422,249	45,571	467,820
Bad Debt Expenses	8,709	-0-	8,709	2,068	10,777
Sundry Charges	-0-	82,764	82,764	1,316	84,080
Total Operating Expenses	13,021,647	3,934,703	16,956,350	885,695	17,842,045
Operating Income (Loss) Before Depreciation	6,013,008	1,590,062	7,603,070	21,766	7,624,836
Depreciation	2,511,136	1,765,230	4,276,366	172,009	4,448,375
Operating Income (Loss)	3,501,872	(175,168)	3,326,704	(150,243)	3,176,461
Non-Operating Income (Expenses):					
Interest Income	444,215	171,974	616,189	1,554	617,743
Interest Expense	(485,132)	-0-	(485,132)	(3,231)	(488,363)
Change in the Fair Value of Investments	(52,089)	(18,561)	(70,650)	-0-	(70,650)
Fees from Developers	1,557,188	-0-	1,557,188	-0-	1,557,188
Equity in Earnings from Joint Venture	8,509	-0-	8,509	-0-	8,509
Cell Tower Leases	226,473	-0-	226,473	-0-	226,473
Other	79,242	(247,771)	(168,529)	-0-	(168,529)
Non-Operating Income - Net	1,778,406	(94,358)	1,684,048	(1,677)	1,682,371
Income (Loss) Before Operating Transfers	5,280,278	(269,526)	5,010,752	(151,920)	4,858,832
Operating Transfers In	721,935	-0-	721,935	-0-	721,935
Operating Transfers Out	(50,000)	(460,000)	(510,000)	-0-	(510,000)
Net Income (Loss)	5,952,213	(729,526)	5,222,687	(151,920)	5,070,767
Unreserved Retained Earnings, Beginning of Year	27,129,878	12,849,570	39,979,448	1,990,503	41,969,951
Unreserved Retained Earnings, End of Year	\$33,082,091	\$12,120,044	\$45,202,135	\$1,838,583	\$47,040,718

The accompanying notes are an integral part of this financial statement.

SANDY CITY
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2002

	PROPRIETARY FUND TYPES		TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNIT ALTA CANYON RECREATION	TOTALS REPORTING ENTITY (MEMORANDUM ONLY)
	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS			
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$3,501,872	(\$175,168)	\$3,326,704	(\$150,243)	\$3,176,461
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,511,136	1,765,230	4,276,366	172,009	4,448,375
Changes in Assets and Liabilities					
Accounts Receivable - Net	(653,876)	-0-	(653,876)	(2,347)	(656,223)
Inventory	8,772	10,422	19,194	-0-	19,194
Other Assets	-0-	(1,551)	(1,551)	11,128	9,577
Prepaid Water Purchases	51,893	-0-	51,893	-0-	51,893
Accounts Payable	264,389	(39,806)	224,583	(2,955)	221,628
Wages, Salaries, and Benefits Payable	(4,363)	138,575	134,212	3,470	137,682
Claims and Judgments Payable	-0-	44,895	44,895	(1,637)	43,258
Due to Other Governmental Units	-0-	-0-	-0-	642	642
Customer Deposits	5,415	-0-	5,415	-0-	5,415
Change in the Fair Value of Investments	(52,089)	(18,561)	(70,650)	-0-	(70,650)
Net Cash Provided (Used) by Operating Activities	5,633,149	1,724,036	7,357,185	30,067	7,387,252
Cash Flows from Noncapital Financing Activities:					
Net Operating Transfers	671,935	(460,000)	211,935	-0-	211,935
Cash Flows from Capital Financing Activities:					
Acquisition of Capital Assets	(9,547,880)	(1,757,093)	(11,304,973)	(44,558)	(11,349,531)
Bond Proceeds	10,147,213	-0-	10,147,213	-0-	10,147,213
Principal Paid on Revenue Bonds	(750,000)	-0-	(750,000)	-0-	(750,000)
Principal Paid on Capital Leases	-0-	-0-	-0-	-0-	-0-
Interest Paid on Revenue Bonds	(415,638)	-0-	(415,638)	-0-	(415,638)
Interest Paid on Capital Leases	-0-	-0-	-0-	(3,231)	(3,231)
Proceeds from Sale of Fixed Assets	25,459	137,619	163,078	-0-	163,078
Proceeds from Cell Tower Lease	226,473	-0-	226,473	-0-	226,473
Contributions From Developers	868,130	-0-	868,130	-0-	868,130
Net Cash Provided (Used) by Capital Financing Activities	553,757	(1,619,474)	(1,065,717)	(47,789)	(1,113,506)
Cash Flows from Investing Activities:					
Interest Income Received	429,292	171,974	601,266	1,554	602,820
Net Increase (Decrease) in Cash and Cash Equivalents	7,288,133	(183,464)	7,104,669	(16,168)	7,088,501
Cash and Cash Equivalents - Beginning of Year	12,133,892	7,104,147	19,238,039	114,983	19,353,022
Cash and Cash Equivalents - End of Year	\$19,422,025	\$6,920,683	\$26,342,708	\$98,815	\$26,441,523
Noncash Transactions Affecting Financial Position:					
Contributions of Fixed Assets from Developers	\$689,058	\$ -0-	\$689,058	\$ -0-	\$689,058
Increase in Investment in Joint Venture	8,509	-0-	8,509	-0-	8,509
Noncash Transactions Affecting Financial Position	\$697,567	\$ -0-	\$697,567	\$ -0-	\$697,567

The accompanying notes are an integral part of this financial statement.

**SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City operates under the council-mayor optional form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. The City Council establishes City policy, approves the budget, and ratifies the appointment of the City Officials. The City Council is authorized to issue bonds, to incur short-term debt, to levy property taxes, and is not dependent on any other unit of local government.

As required by Accounting Principles Generally Accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended and discretely presented component unit has a June 30 year end.

Blended Component Unit

The Sandy Redevelopment Agency (the Agency) was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the Agency. Therefore, the Agency is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. The agency is reported as a Special Revenue Fund.

Discretely Presented Component Unit

The Alta Canyon Recreation Special Service District (the District) was legally created as authorized by the Utah Special Service District Act. The District is within the boundaries of the City and services the northeast quadrant (or about one-fourth) of the City. The District's Administrative Control Board is comprised of seven elected individuals and is the governing authority. The Administrative Control Board establishes District policy, appoints the District officials, governs the process controlling the collection and disbursement of funds, and is responsible for funding deficits. The District also has the following powers: to sue and be sued; eminent domain; to enter into contracts; and to acquire and construct facilities. Of equal importance, no tax may be levied and no bonds shall be issued unless authorized by a majority of the qualified voters of the District.

The District is fiscally dependant upon the City because the City Council approves the District's budget, property tax rate, and issuance of any long-term debt. The District is accounted for as an Enterprise Fund.

Complete financial statements for the District may be obtained at the entity's administration offices:

Alta Canyon Recreation District
9565 South Highland Drive
Sandy, Utah 84094

B. Basis of Accounting

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds, and the Expendable Trust Fund are accounted for on a spending or "current financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental and Expendable Trust

**SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

Funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Governmental Funds and the Expendable Trust Fund are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when fund liabilities are incurred. Exceptions to this general rule include: (1) the long-term portion of accumulated unpaid vacation which is not accrued in the Governmental Funds but is recorded in the General Long-Term Debt Account Group; and (2) principal and interest on general long-term debt which are recognized when due.

The accounts of the Enterprise and Internal Service Funds are reported using the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when the related liability is incurred. Also, the funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds. Pronouncements of the Financial Accounting Standards Board (FASB) are applied if issued on or before November 30, 1989 and do not conflict with GASB pronouncements.

C. Description of Funds and Account Groups

General Fund - is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds - are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City's special revenue funds include the Sandy Redevelopment Agency Fund, Community Development Fund, Community Arts Fund, Amphitheater Fund, and the Landscape Maintenance Fund.

Debt Service Funds - are used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment. The City's debt service funds include the General Purposes Debt Service Fund, Auto Mall Special Improvement District Fund and the Special Improvement Guarantee Fund.

Capital Projects (Capital Improvements) Fund - is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and special revenue funds. The principal sources of funding are operating transfers from the General Fund, grants, bonding, and contributions from developers. All funds received for a particular purpose are restricted and used specifically for that purposes.

Enterprise Funds - are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. Separate enterprise funds are maintained for Water, Waste Collection, Electric Utilities, Storm Water Utilities, Recreation funds, and Golf Fund.

Internal Service Funds - are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The Internal Service Funds include the Fleet Operations Fund; the Information Services Fund; the Insurance & Risk Management Fund; Payroll Management Fund; and the Equipment Management Fund.

**SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

Expendable Trust Funds - are used to account for assets held by the City in a trustee capacity. The Expendable Trust Fund was established to account for individual, private and intergovernmental contributions held in trust by the City for a specific purpose.

General Fixed Assets Account Group - is used to account for fixed assets not accounted for in the Proprietary Fund types and the Expendable Trust Fund.

General Long-Term Debt Account Group - is used to account for outstanding long-term debt not accounted for in the Proprietary Fund types and the Expendable Trust Fund.

D. Budget Operation

The City operates within the budget requirements as specified by Utah State law. The financial reports reflect the following budget standards:

1. For the fiscal year beginning July 1, the budget officer prepares a tentative budget which is presented to the City Council on or before the first regularly scheduled meeting in May.
2. By resolution, the City Council legally adopts the final budget on or before June 22, after appropriate public hearings have been held. However, if there is a change to the certified tax rate, the final budget can be adopted as late as August 17th.
3. Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but increased appropriations require a public hearing prior to amending the budget. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.
4. Interim adjustments in estimated revenue and departmental appropriations during the fiscal year 2002 have been included in the final budget approved by the City Council, as presented in the financial statements. These amendments were not material in relation to the original appropriations.
5. As determined by Utah State law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund.
6. Budgets for the General, Special Revenue, Debt Service (General Purposes Debt Service Fund only), and Capital Projects Funds are adopted on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP). Special Assessment Funds which are grouped with Debt Service Funds are not budgeted (see Note 21). Operating and capital budgets are required by Utah State law for Proprietary Fund types, although such budgets are not required to be presented in the financial statements. In addition, budgets for Special Assessment Funds are not required by Utah State law.
7. All unexpended appropriations lapse at the end of the budget year. However, unexpended Capital Projects Fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

E. Encumbrances

Encumbrance accounting is not employed by the City.

F. Investments

Water Fund investments in water stock, rights, and capacity are stated at cost. Investments in interest earning deposits are stated at cost plus or minus unamortized premiums or discounts which approximates fair value.

**SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

G. Inventory

The inventories are stated at the lower of cost, determined on the first-in first-out basis, or market.

H. Deferred Charges

Deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding method, which approximates the interest method.

I. Investment in Joint Venture

Investment in joint venture is accounted for using the equity method (see Note 7).

J. Utility Plant in Service

Utility plant in service is stated at cost. Depreciation has been provided using the straight-line method over estimated useful lives.

K. Other Depreciable Property

Other depreciable property, including autos, trucks, machinery and equipment, and office furniture and equipment, is stated at cost. Depreciation has been provided on a straight-line method over estimated useful lives.

L. General Fixed Assets

General fixed assets have been acquired for general City purposes and at the time of purchase were recorded as expenditures in the General Fund, the Special Revenue Funds or the Capital Projects Fund. General fixed assets are capitalized at cost in the General Fixed Assets Account Group except for certain improvements other than buildings, such as roads, curbs and gutters, streets and sidewalks, and drainage systems which have not been capitalized. Donated fixed assets are valued at their estimated fair value on the date received. No depreciation has been provided on general fixed assets.

M. Capital Leases

The City has acquired certain assets under leases which are required by Accounting Principles Generally Accepted in the United States of America to be accounted for as capital leases. A capital lease is one which results in the lessee (the City) obtaining financing for the purchase of the leased asset. The present values of the lease payments at inception of the leases have been recorded in either the Internal Service Funds or the Long-Term Debt Account Group. The assets are recorded in the Internal Service Funds at cost (see Note 10). The liability is reduced each year by the portion of lease payments representing principal, not interest. The cost of leased assets in the Internal Service Funds is amortized over the life of the assets and the amortization expense is included with depreciation expense.

N. Utility Revenue

Throughout the year, utility revenues in the Water, Electric Utilities, and Storm Water Utilities Funds are recorded when billed. At year end, the fund records, as unbilled receivables and revenue, an amount which approximates revenue from the last meter reading or billing date to year end.

O. Deferred Revenue

Deferred property tax revenue as of June 30, 2002 consists of personal property taxes levied for fiscal year 2002-2003

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

and collected in advance. Deferred special assessment revenue as of June 30, 2002 consists of special assessments levied but not collected or available to pay liabilities of the current period.

P. Total Memorandum Only Columns

Total columns on the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with Accounting Principles Generally Accepted in the United States of America. Neither is such data comparable to a consolidation.

Note 2. Property Taxes

The property tax revenue of Sandy City is collected and distributed by the Salt Lake County Treasurer as an agent for the City. Utah State laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

- A. By March 1, the City notifies the County Commission to establish a proposed date, time, and place for a tax rate adoption hearing.
- B. By March 31, the County Treasurer settles property taxes charged and collected for the previous year.
- C. By June 8, the County Auditor sends valuation, certified tax rate, and levy worksheet forms to the City.
- D. Before June 22, the City adopts a proposed tax rate and certifies the tax rate with the County Auditor.
- E. Before July 22 (if the City adopts a tax rate higher than the certified tax rate), the county Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
- F. By August 17, the City adopts the final tax rate and certifies the tax rate with the County Auditor.
- G. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
- H. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
- I. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

Note 3. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Detailed accounting records are maintained for each individual fund; however, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for investment purposes.

The City (including all funds and fund types) follows the requirements of the Utah Money Management Act in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

eligible to accept public funds. The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

The City's deposits at June 30, 2002 are categorized in the following table to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 are deposits which are uninsured and uncollateralized.

Deposits	Categories			Bank Balance	Carrying Amount
	1	2	3		
Bank Accounts - Sandy City	\$ 200,000	\$ -0-	\$ 1,198,390	\$ 1,398,390	\$ 1,558,374
Component Unit - Alta Canyon Recreation Bank Account	\$ 45,967	\$ -0-	\$ -0-	\$ 45,967	\$ 59,008

The City's investment policies are governed by State statutes. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories; (2) repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository; (3) commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's Inc., having a remaining term to maturity of 270 days or less; (4) bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less; (5) negotiable interest bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farms Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association; (8) the Utah State Treasurer's Investment Fund; and (9) fixed and variable rate corporate obligations that meet criteria under the Money Management Act.

As of June 30, 2002, neither the City nor Alta Canyon had any investments requiring risk disclosure. However, the following amounts were held in the Utah State Treasurer's Pool or in mutual funds:

Holdings	Carrying Amount	Fair Value
Mutual Funds - U. S. Government Securities	\$ 4,427	\$ 4,427
Utah State Treasurer's Pool Account	51,694,169	51,694,168
Total Sandy City Investments	\$ 51,698,596	\$ 51,698,595
Component Unit - Alta Canyon Utah State Treasurer's Pool Account	\$ 39,807	\$ 39,807

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Investment in Mutual Funds are investments in open-ended mutual funds which invest solely in instruments of the U.S. Government. The fair value at June 30, 2002 approximated cost. A summary of restricted and unrestricted cash and cash equivalents at June 30, 2002 is as follows:

	Sandy City	Component Unit Alta Canyon Recreation
Unrestricted	\$ 32,994,141	\$ 98,815
Restricted	20,102,845	-0-
Total	\$ 53,096,986	\$ 98,815
Deposits	\$ 1,398,390	\$ 59,008
Investments	51,698,596	39,807
Total	\$ 53,096,986	\$ 98,815

Note 4. Restricted Assets

General Fund - Activity in unexpended State Road funds, during fiscal year 2002, that are required by the Utah State law to be restricted for road construction and maintenance, are summarized as follows:

Balance - July 1, 2001	\$ -0-
Additions:	
Allotments	2,839,583
Reductions:	
Highway Maintenance	(2,839,583)
Transfers to Capital Projects Fund	-0-
Balance - June 30, 2002	<u>\$ -0-</u>

Debt Service Fund - pursuant to Utah State law and the bond indentures of the Auto Mall Special Improvement District Special Assessment Bonds, the City has created a Special Improvement Guarantee Fund. The assets of the Special Improvement Guarantee Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$258,500. As of June 30, 2002, the amount held of \$258,500 was in compliance with funding requirements.

Pursuant to the 1996A motor fuel excise tax revenue bonding agreement, the City is required to have a debt service reserve of \$975,000. As of June 30, 2002, the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

Pursuant to the Neighborhood Redevelopment Tax Increment Bond resolution, the Sandy Redevelopment Agency has a debt service reserve fund in the amount of \$342,000 in the General Purpose Debt Service Fund. As of June 30, 2002, the Sandy Redevelopment Agency was in compliance with funding requirements.

Pursuant to bond indentures of the lease revenue bond series 1994B, the City is required to have a debt service reserve of

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

\$232,500. As of June 30, 2002 the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

Pursuant to the Municipal Building Authority (MBA) of Sandy 1998C Bonding Agreement, the MBA has a debt service reserve fund in the amount of \$748,473 in the General Purpose Debt Fund. As of June 30, 2002, the Municipal Building Authority was in compliance with funding requirements.

Pursuant to the Municipal Building Authority (MBA) of Sandy 1999 Bonding Agreement, the MBA has a debt service reserve fund in the amount of \$841,757 in the General Purpose Debt Fund. As of June 30, 2002, the Municipal Building Authority was in compliance with funding requirements.

Pursuant to the 2000 Motor Fuel Excise Tax Revenue Bonding Agreement, the City is required to have a debt service reserve of \$707,500. As of June 30, 2002, the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

Capital Projects Fund - restricted assets represent unexpended receipts which are restricted for use on future capital projects. The changes in restricted balances during fiscal year 2002 are summarized as follows:

	State Road Funds	Park & Trail Fees	Park & Road Bonds	Innkeeper Fees	Other	Total
Balance - July 1, 2001	\$ 1,372,464	\$ 735,369	\$ 3,271,620	\$ 203,556	\$ 2,114,208	\$ 7,697,217
Additions: Fees & Transfers In	421,000	224,982	-0-	-0-	1,984,706	2,630,688
Interest Earnings	38,383	22,760	69,943	-0-	50,902	181,988
Reductions: Expenditures & Transfers Out	(532,741)	(135,333)	(3,282,825)	(203,556)	(1,664,312)	(5,818,767)
Balance - June 30, 2002	\$ 1,299,106	\$ 847,778	\$ 58,738	\$-0-	\$ 2,485,504	\$ 4,691,126

Enterprise (Water) Fund - pursuant to the Water Revenue Refunding Bond Resolution of 1993, the Water Revenue Refunding Bond Resolution of 1992, and the Water Bond Resolution of 1990, the City is required to maintain a trust account for debt service in the amount of \$1,196,290. At June 30, 2002 the City was in compliance with funding requirements.

Alta Canyon Recreation District (Component Unit) - cash received by the District from bond proceeds and related interest income is restricted for the design, acquisition and construction of the recreational facilities. At June 30, 2002 there was no restricted cash.

Note 5. External Investment Pool

The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool administered by the Utah State Treasurer. State agencies, municipalities, counties, and local governments within the State of Utah are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended (The Act). The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized which are high-grade securities and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds in the PTIF. The participant's monthly investment amount is based upon their average daily balance. Twice a year at June 30 and December 31, the investments are valued at fair value for participants (public entities having those year ends) to enable them to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security's fair value in accordance to GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2002) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2002 the City had \$51,836,356 invested in PTIF which had a fair value of \$51,694,169. The City has recognized a loss of \$142,187. The table below shows statistical information about the investment pool:

Investment Type	Investment Percentage	Interest Rates	Weighted Average Maturity
Money Market Funds	6.8 %	1.80% - 2.70	1 Day
U.S. Government Securities	15.7	1.70% - 4.13%	202 Days
Corporate Bonds and Notes	77.5	1.84% - 4.05%	40 Days
Total/Average	100.0 %	2.34%	61 Days

Note 6. Due From/To Other Funds

Short term interfund loans at June 30, 2002 are summarized as follows:

Fund	Due From Other Funds	Due to Other Funds
Water Fund	\$4,225,300	\$ -0-
Golf Fund	-0-	4,225,300
Total	\$4,225,300	\$4,225,300

Note 7. Joint Venture

As of June 30, 2002, the City has a 38.79 percent ownership in Trans-Jordan Cities (the Association). The Association was organized in 1968 as a joint enterprise fund of the Cities of Midvale, West Jordan, Murray, and Sandy, Utah. In 1997 the Association was joined by the City of South Jordan, and the Cities of Draper and Riverton joined in 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site situated east of Bingham Canyon in Salt Lake County.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

The percentage interest in operations for each of the entities is as follows:

Sandy City	38.79%
West Jordan City	26.02
Murray City	11.23
Midvale City	6.27
South Jordan	7.36
Draper	4.62
Riverton	<u>5.71</u>
Total	<u>100.00%</u>

The Association is governed by its own Board of Directors. Under the Organization Agreement, the board is composed of the Mayors, or their appointed representatives, of the seven participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees. The following is a summary of audited financial information of the Association for the year ended June 30, 2002:

Assets:

Current Assets	\$ 6,258,456
Property, Plant and Equipment - Net	6,272,288
Non Current Assets	<u>3,014,555</u>
Total Assets	<u>\$15,545,299</u>

Liabilities and Retained Earnings:

Liabilities	\$ 3,522,276
Contributed Capital	2,286,883
Retained Earnings	<u>9,736,140</u>
Total Liabilities and Retained Earnings	<u>\$15,545,299</u>

Income Statement:

Operating Revenue	\$ 4,842,462
Operating Expenses	<u>5,222,887</u>
Operating Income (Loss)	(380,425)
Non-Operating Income	<u>849,162</u>
Net Income	<u>\$ 468,737</u>

The City paid \$526,104 to the Association for land fill costs during fiscal year 2002. Complete financial statements for the Association may be obtained at the following address:

Trans Jordan City Landfill
10873 S.7200 W.
South Jordan, Utah 84095

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Note 8. Investment in Water Stock, Rights, and Capacity

The Water Fund had the following investments in water stock, rights, and capacity at June 30, 2002:

Water Stock:	<u>Shares</u>	<u>Cost</u>
Bell Canyon Irrigation Company	1,827	\$ 440,841
Cahoon and Maxfield Irrigation Company	50	1,856
Draper Irrigation Company	639	512,100
East Jordan Irrigation Company	482	21,600
Granite Water Company	4	3,600
Last Chance Ditch Company	488	26,063
Little Cottonwood Water Company	11,358	113,580
Nickle Irrigation Company	919	63,175
Sandy Canal Company	841	64,244
Sandy Irrigation Company	1,551	722,664
South Despain Ditch Company	33	20,041
Tanner Ditch Company	2	450
Union East Jordan Irrigation Company	770	34,341
Welby Jacob Water Users Company	10	10,000
Provo Reservoir Water Users Company	39	<u>568,153</u>
Total Water Stock		2,602,708
Water Rights - Thompson and Lym Ditches		38,581
Water Capacity		<u>9,879,793</u>
Total Water Stock, Rights and Capacity		<u>\$12,521,082</u>

Note 9. General Fixed Assets, Utility Plant in Service, and Machinery and Equipment

General fixed assets, utility plant in service, and machinery and equipment are comprised of the following at June 30, 2002:

General Fixed Assets Account Group	Balance 7/01/01	Additions	Deductions	Balance 6/30/02
Land	\$ 17,621,081	\$ 3,358,385	\$ 33,264	\$ 20,946,202
Buildings	21,428,008	1,362,711	-0-	22,790,719
Improvements other than Buildings	7,186,254	1,214,841	-0-	8,401,095
Machinery & Equipment	1,880,912	454,320	1,065,239	1,269,993
Autos and Trucks	96,346	-0-	29,230	67,116
Construction in Progress	5,829,131	3,364,022	2,023,929	7,169,224
Total General Fixed Assets	\$ 54,041,732	\$ 9,754,279	\$ 3,151,662	\$ 60,644,349

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

The following is a summary of proprietary fixed assets at June 30, 2002:

	Enterprise Funds	Internal Service Fund	Component Unit Alta Canyon Recreation
Land	\$ 6,198,930	\$ -0-	\$ 386,858
Wells	4,301,260	-0-	-0-
Water Tanks	9,038,607	-0-	-0-
Distribution Mains	50,118,255	-0-	-0-
Buildings and Structures	2,610,616	145,507	3,852,391
Pumps	2,535,715	-0-	-0-
Machinery and Equipment	62,877	3,258,202	-0-
Office Furniture and Equipment	241,323	-0-	352,809
Vehicles	-0-	13,716,643	12,928
Street Lights	7,954,717	-0-	-0-
Storm Water Improvements	2,052,392	-0-	-0-
Construction in Progress	<u>3,642,914</u>	<u>-0-</u>	<u>-0-</u>
Total Capital Assets	88,757,606	17,120,352	4,604,986
Less Accumulated Depreciation	<u>30,083,566</u>	<u>8,757,693</u>	<u>2,736,549</u>
Net Capital Assets	<u>\$ 58,674,040</u>	<u>\$ 8,362,659</u>	<u>\$ 1,868,437</u>

In Proprietary Funds, the following estimated useful lives are used to compute depreciation:

Wells	25 years
Water Tanks	25 years
Distribution Mains	33 years
Buildings and Structures	20-40 years
Pumps	8 years
Machinery and Equipment	5-10 years
Vehicles	5-15 years
Office Furniture and Equipment	5-10 years
Street Lights	30 years
Storm Water Improvements	40 years

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Note 10. Long-term Debt

Long-term debt is comprised of general obligation bonds, tax increment bonds, special assessment bonds, revenue bonds, obligations under capital leases, notes payable for Section 108 funding, and the long-term portion of accumulated compensated absences in the governmental funds. Revenue bonds and other long-term liabilities directly related to and expected to be paid from proprietary funds and trust funds are included in the accounts of such funds. All other long-term liabilities of the City are accounted for in the General Long-term Debt Account Group.

Description of Individual Bond Issues	Rate (%)	Issue Date	Maturity Date	Original Amount	Total Retired	Outstanding at 6/30/02
Enterprise (Water) Funds: Revenue Bonds:						
1993 Water Refunding	4.00 to 5.40	8/03/93	7/01/09	8,890,000	1,305,000	7,585,000
2002 Storm Water Revenue	3.00 to 5.25	03/12/02	9/15/16	10,180,000	-0-	10,180,000
Deferred Interest Exp.				(1,147,348)	(703,107)	(444,241)
				17,922,652	601,893	17,320,759
General Long-Term Debt Account Group:						
General Obligation Bonds:						
1991 Municipal Purpose	5.00 to 6.70	12/15/91	12/15/11	8,065,000	8,065,000	-0-
1995 Municipal Purpose	3.60 to 5.50	12/15/95	12/15/11	6,250,000	515,000	5,735,000
Revenue Bonds:						
1994 Building Lease	4.20 to 6.40	6/08/94	5/15/08	2,325,000	1,055,000	1,270,000
1996 Motor Fuel Excise Tax Revenue	3.75 to 4.85	12/01/96	7/15/06	9,750,000	4,315,000	5,435,000
1998C MBA Lease	3.80 to 4.80	10/01/98	06/15/20	7,840,000	315,000	7,525,000
1999 MBA Lease	4.30 to 5.30	12/07/99	06/15/20	9,780,000	570,000	9,210,000
2000 Motor Fuel Excise Tax Revenue	4.25 to 5.25	03/07/00	01/15/10	7,075,000	1,050,000	6,025,000
2001A MBA Escrow	4.71	03/06/01	03/01/06	600,000	110,000	490,000
Special Assessment Bonds:						
1993 Auto Mall	4.00 to 7.20	9/01/93	9/01/12	2,840,000	865,000	1,975,000
Tax Increment Bonds:						
1994 Redevelopment	4.60 to 6.55	12/01/94	2/01/05	3,420,000	2,215,000	1,205,000
				57,945,000	19,075,000	38,870,000
Total Bond Issues for Sandy City				75,867,652	19,676,893	56,190,759
Notes Payable:	20 Basis points above applicable LIBOR rate					
HUD Section 108 Loan		06/06/96	08/01/14	2,515,000	375,000	2,140,000
Capital Leases:						
Information Leasing	4.29	12/23/98	12/23/02	\$ 1,320,000	\$ 785,022	\$ 273,221

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Obligations Under Capital Leases - The City has entered into various lease agreements for fire trucks and for the accounting software purchased to make the City year 2000 compliant. These agreements are cancelable by the City should funds not be budgeted by the City Council to cover the annual lease payments. The City has one capital lease outstanding. The proceeds of the capital lease were received by the Capital Projects Fund to purchase an additional fire truck and financial software. The capital lease obligation is recorded in the General Long-Term Debt Account Group. However, the purchased assets were subsequently transferred to the Internal Service Funds.

	Fleet Operations Fund	Information Services Fund	General Long- Term Debt Account Group	Total
Assets recorded under capital leases:				
Cost	\$ 658,866	\$ 384,844	\$ -0-	\$ 1,043,710
Accumulated Amortization	253,206	237,844	-0-	491,050
Net Book Value	\$ 405,660	\$ 147,000	\$-0-	\$ 552,660

**Future minimum lease payments - payable in
the years ending June 30:**

2003	-0-	-0-	285,189	285,189
2004	-0-	-0-	-0-	-0-
2005	-0-	-0-	-0-	-0-
Thereafter	-0-	-0-	-0-	-0-
Total	-0-	-0-	285,189	285,189
Less amount representing interest	-0-	-0-	11,967	11,967
Present value of net minimum lease payments	\$ -0-	\$ -0-	\$ 273,222	\$ 273,222

Summary of Debt Service Requirements to Maturity

NOTES PAYABLE - HUD SECTION 108			
YEAR ENDING JUNE 30	PRINCIPAL	ESTIMATED INTEREST*	TOTAL
2003	\$ 95,000	\$ 140,700	\$ 235,700
2004	100,000	134,586	234,586
2005	110,000	127,933	237,933
2006	115,000	120,749	235,749
2007	125,000	113,026	238,026
Thereafter	1,595,000	548,140	2,143,140
Total	\$ 2,140,000	\$ 1,185,134	\$ 3,325,134

* Interest on the notes payable is at a variable rate. For the purposes of estimating debt service requirements, interest rates between 5.870 and 7.030 percent have been derived.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

WATER REVENUE BONDS			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 785,000	\$ 377,638	\$ 1,162,638
2004	825,000	337,388	1,202,638
2005	870,000	294,578	1,164,578
2006	915,000	248,603	1,163,603
2007	965,000	199,481	1,164,481
Thereafter	3,225,000	267,705	3,492,705
Total	\$ 7,585,000	\$ 1,725,393	\$ 9,310,393

GENERAL OBLIGATION BONDS			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 480,000	\$ 277,800	\$ 757,800
2004	505,000	255,139	760,139
2005	525,000	230,929	755,929
2006	555,000	205,140	760,140
2007	585,000	177,341	762,341
Thereafter	3,085,000	395,491	3,480,491
Total	\$ 5,735,000	\$ 1,541,840	\$ 7,276,840

1994 BUILDING LEASE BONDS			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 190,000	\$ 79,213	\$ 269,213
2004	205,000	67,813	272,813
2005	190,000	55,308	245,308
2006	205,000	43,528	248,528
2007	215,000	30,613	245,613
Thereafter	265,000	16,960	281,960
Total	\$ 1,270,000	\$ 293,435	\$ 1,563,435

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1996 MOTOR FUEL EXCISE TAX REVENUE BONDS			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 990,000	\$ 227,273	\$ 1,217,273
2004	1,035,000	181,958	1,216,958
2005	1,085,000	133,986	1,218,986
2006	1,135,000	82,914	1,217,914
2007	1,190,000	28,263	1,218,263
Thereafter	-0-	-0-	-0-
Total	\$ 5,435,000	\$ 654,394	\$ 6,089,394

1998C MUNICIPAL BUILDING AUTHORITY LEASE			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	180,000	339,213	519,213
2004	195,000	332,193	527,193
2005	220,000	324,490	544,490
2006	245,000	315,690	560,690
2007	265,000	305,768	570,768
Thereafter	6,420,000	2,419,835	8,839,835
Total	\$ 7,525,000	\$ 4,037,189	\$ 11,562,189

1993 SPECIAL ASSESSMENT BONDS (AUTO MALL)			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 125,000	\$ 138,325	\$ 263,325
2004	135,000	130,200	265,200
2005	145,000	121,290	266,290
2006	155,000	111,575	266,575
2007	165,000	101,035	266,035
Thereafter	1,250,000	332,650	1,582,650
Total	\$ 1,975,000	\$ 635,075	\$ 2,910,075

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1994 REDEVELOPMENT TAX INCREMENT BONDS			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	375,000	77,778	452,778
2004	400,000	53,965	453,965
2005	430,000	28,165	458,165
2006	-0-	-0-	-0-
2007	-0-	-0-	-0-
Thereafter	-0-	-0-	-0-
Total	\$ 1,205,000	\$ 159,908	\$ 1,364,908

1999 MUNICIPAL BUILDING AUTHORITY LEASE			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 325,000	\$ 497,353	\$ 822,353
2004	340,000	482,728	822,728
2005	355,000	467,088	822,088
2006	375,000	450,403	825,403
2007	390,000	432,403	822,403
Thereafter	7,425,000	3,263,410	10,688,410
Total	\$ 9,210,000	\$ 5,593,385	\$ 14,803,385

2000 MOTOR FUEL EXCISE TAX REVENUE BONDS			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 540,000	\$ 305,721	\$ 845,721
2004	565,000	279,531	844,531
2005	595,000	251,564	846,564
2006	620,000	221,814	841,814
2007	655,000	190,814	845,814
Thereafter	3,050,000	321,778	3,371,778
Total	\$ 6,025,000	\$ 1,571,222	\$ 7,596,222

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

2001A MUNICIPAL BUILDING AUTHORITY ESCROW			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 115,000	\$ 23,079	\$ 138,079
2004	120,000	17,662	137,662
2005	125,000	12,011	137,011
2006	130,000	6,123	136,123
2007	-0-	-0-	-0-
Thereafter	-0-	-0-	-0-
Total	\$ 490,000	\$ 58,875	\$ 548,875

2002 SALES TAX REVENUE BONDS			
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2003	\$ 480,000	\$ 446,022	\$ 926,022
2004	550,000	395,709	945,709
2005	545,000	379,284	924,284
2006	565,000	361,928	926,928
2007	580,000	342,596	922,596
Thereafter	7,460,000	1,893,306	9,353,306
Total	\$ 10,180,000	\$ 3,818,845	\$ 13,998,845

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Changes in Long-Term Debt

	Balance July 1, 2001	2002 Additions	2002 Retirements	Balance June 30, 2002
Enterprise Funds:				
Water Refunding Bonds	\$ 8,335,000	\$ -0-	\$ 750,000	\$ 7,585,000
Storm Water Revenue Bond	<u>-0-</u>	<u>10,180,000</u>	<u>-0-</u>	<u>10,180,000</u>
Total Enterprise Funds Bonds	8,335,000	10,180,000	750,000	17,765,000
Deferred Interest Expense	<u>(336,835)</u>	<u>(176,954)</u>	<u>(69,548)</u>	<u>(444,241)</u>
Total Water Fund Debt	<u>7,998,165</u>	<u>10,003,046</u>	<u>680,452</u>	<u>17,320,759</u>
General Long-Term Debt Account Group:				
Long-Term Compensated Absences	489,468	231,632	-0-	721,100
Obligations Under Capital Leases	534,978	-0-	261,757	273,221
Notes Payable	2,225,000	-0-	85,000	2,140,000
General Obligation Bonds	6,190,000	-0-	455,000	5,735,000
Revenue Bonds	32,185,000	-0-	2,230,000	29,955,000
Special Assessment Bonds	2,095,000	-0-	120,000	1,975,000
Tax Increment Bonds	<u>1,555,000</u>	<u>-0-</u>	<u>350,000</u>	<u>1,205,000</u>
Total General Long-Term Debt	<u>45,274,446</u>	<u>231,632</u>	<u>3,501,757</u>	<u>42,004,321</u>
Total Long-Term Obligations	<u>\$53,272,611</u>	<u>\$10,234,678</u>	<u>\$ 4,182,209</u>	<u>\$59,325,080</u>

The primary source of repayment of the special assessment debt is assessments against the benefitted property owners. This debt is secured by liens on assessed property and is also backed by the full faith and credit of the City as additional security (see debt service fund reserve requirement in Note 4).

Defeasance of Debt - During fiscal year 1986, the City issued the 1985 Series Water Revenue Refunding Bonds. The proceeds of these bonds were used to defease the entire outstanding balances of the 1958, 1968, 1970, and 1974 series revenue bonds. As of June 30, 2002 the defeased debt has been totally extinguished.

During fiscal year 1992, the City issued \$1,275,000 in water revenue refunding bonds with an average interest rate of 5.98 percent. Such bonds were issued to advance refund \$1,190,000 of the outstanding 1985 Series bonds with an average interest rate of 8.71 percent and to provide resources to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1985 Series bonds. As a result, the 1985 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Water Fund. As of June 30, 2002, the outstanding balance of bonds has been extinguished.

During fiscal year 1994, the City issued \$8,890,000 in water refunding bonds with an average interest rate of 4.90 percent. Such bonds were issued to advance refund \$7,690,000 of the \$11,055,000 outstanding 1990 series bonds. At June 30, 2002 the outstanding balance of bonds which were considered extinguished was \$7,690,000. The reacquisition price exceeded the net carrying amount of the old debt by \$970,394. This amount is being netted against the new debt and amortized over the new debt's life, which is the same as the life of the refunded debt.

During fiscal year 1996, the City issued \$6,250,000 in General Obligation Refunding Bonds. Such bonds were issued to advance refund \$5,585,000 of the \$7,815,000 outstanding 1991 Series Bonds. At June 30, 2002, the balance of bonds which were considered extinguished was \$5,585,000.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Note 11. Contributed Capital and Reserved Fund Equity

Contributed capital in the Water Fund includes amounts received for water connection charges. Because the amounts received for connection charges are invested in materials and labor for utility plant additions, such receipts represent a contribution toward capital expenditures which are charged to the water distribution system. In addition to amounts received from water connection charges, included in contributed capital are the costs of water lines in new subdivisions which were constructed and paid for by the developers. Because these improvements become part of the City's water system and are acquired without cost to the City, the cost value thereof represents contributions to the City's water system.

Capital contributed by developers during fiscal year 2002 are summarized as follows:

<u>Source</u>	<u>Water Fund</u>	<u>Fleet Operations Fund</u>
Developers		
Connection Charges	\$ 446,984	\$ -0-
Meter Set Fees	22,769	-0-
Fire Protection	-0-	-0-
Water Mains	<u>689,058</u>	<u>-0-</u>
Total Additions	1,158,811	-0-

The changes to Reserved Fund Balance during fiscal year 2002 are as follows:

		CAPITAL PROJECTS		
		County Funds	State Road Funds	City
Reserved Fund Balance, July 1, 2001	\$ 4,105,730	\$ 305,901	\$ 1,372,464	\$ 6,018,852
Transfers To (From) Reserved Fund Balance	-0-	163,153	(73,358)	(3,095,886)
Reserved Fund Balance, June 30, 2002	\$ 4,105,730	\$ 469,054	\$ 1,299,106	\$ 2,922,966

Note 12. Industrial Development Revenue Bonds

The City has issued industrial development revenue bonds for the benefit of various developers to aid in building a commercial base within Sandy City limits. Principal and interest payments of such industrial development revenue bonds are to be made entirely by the various developers. The City will not become liable for these bonds even if developers can no longer make the

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

payments. Consequently, the following bonds and their related interest are not shown as a liability in the accompanying financial statements.

Description of Industrial Revenue Bonds Issued	Year Issued	Maturity Date	Original Amount	Total Retired	Outstanding at 6/30/02
Boyer 106 th S. Associates Project	1985	12/01/06	\$ 4,000,000	\$ 1,915,000	\$ 2,085,000
DREE Project	1985	11/15/10	8,770,000	2,515,000	6,255,000
South Towne Hotel Associates Prj.	1985	11/20/10	9,350,000	3,350,000	6,000,000
H. Shirl Wright Project	1986	12/15/16	9,000,000	4,100,000	4,900,000
Total Industrial Revenue Bonds Issued for Developers			\$ 31,120,000	\$ 11,880,000	\$ 19,240,000

Note 13. Pension Plans

A. Plan Description

The State of Utah requires all agency with public employees to contribute to Utah State Retirement Systems (USRS). Base upon the type of public employee and their retirement elections, the City contributes to various plans within the USRS: the Local Governmental Contributory Retirement System, the Local Governmental Non-Contributory Retirement System, the Public Safety Retirement System for employers without Social Security coverage, the Firefighters Retirement System which is for employers without Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the USRS. USRS provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended which also establishes the Utah State Retirement Office. Chapter 49 places the Systems, the Office and related plan and programs under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the systems and plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

B. Funding Policy

Plan members in the Local Government Contributory Retirement System are required to contribute based upon participating employees' annual salaries. The contribution rates in effect from July 1, 2001 through June 30, 2002 are as follows:

	Employee Paid	Employee Contributions Paid by City (100% Vested)	City's Matching Contributions (Vested Upon Retirement)	Total Contributions
Local Government Contributory Retirement System	N/A	6.00%	4.19	10.19%
Local Government Non-Contributory Retirement System	N/A	N/A	8.20	8.20
Public Safety Retirement System for employers Without Social Security coverage	N/A	10.50	6.43	16.93
Firefighters' Retirement System for employers Without Social Security coverage	N/A	8.43	N/A	8.43

The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

C. Trend Information

The following contributions have been made in the past three years and were equal to the required contributions for each fiscal year ending on June 30th:

	2000	2001	2002
Local Governmental Contributory Retirement System	\$ 149,675	\$ 136,231	\$ 119,035
Local Governmental Non-Contributory Retirement System	798,996	796,801	685,151
Public Safety Retirement System for employers without Social Security coverage	809,901	797,646	774,410
Firefighters Retirement System for employers without Social Security coverage	331,618	276,657	276,482
Total	\$ 2,090,190	\$ 2,007,335	\$ 1,855,078

Note 14. Deferred Compensation Plans

The City offers its employees a 457 deferred compensation plan and 401(K) defined contribution tax-sheltered annuity plan. Both plans are provided for within the Internal Revenue Code. The plans, assets, and associated liabilities are administered by external agencies: ICMA Retirement Corporation, Utah State Retirement System (USRS). The plans, available to all City

**SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All ownership and associated interest of the plan is held solely for the benefit of the employees. As a result, the City does not carry the assets or associated liabilities in the City's financial statements.

The City contributes to a 401(K) plan for and on behalf of its public employees, elected and appointed officials, City Council members, temporary, and seasonal employees. The City Council authorizes a percentage based upon an employees base wage to be contributed into deferred compensation plans: 17.95% for full-time employees, 8.05% for council members, and 7.50% for temporary and seasonal employees. As noted previously, the USRS deferred compensation rate is actuarially determined by the State depending upon the employee classification. The required contribution rates to the 401(K) plan equals the City Council authorized amount less the USRS mandated rate and are as follows: Public Employees covered under the Non-Contributory State Retirement 9.75%, Public Employees covered under the Contributory State Retirement 7.76%, Elected/Appointed Officials 17.95%, Police Officers 1.02%, Firefighters 9.52%, Temporary/Part-time 7.5%, and City Council members 8.05%. The City's total contributions were \$1,809,228 which is 8.6% of the \$21,071,824 in total payroll for covered employees for the year ended June 30, 2002. The City's and employee's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. In addition, all employees are eligible to participate in an elective deferral plan which permits them to defer a portion of their salary until future years. The total contributions made by the employees were \$563,851 for the year ended June 30, 2002. At June 30, 2002 the City has made all payments to the plan administrator to satisfy this funding requirement.

Note 15. Post Employment Benefits

The City allows terminated or retired employees to continue their health insurance benefits for a period of 18 months after the employee's termination or retirement date. These employees are required to pay the full cost of such extended health insurance coverage. As of June 30, 2002 Seven (7) employees had elected to participate in this post-employment benefit program. The administrative costs to the City of such benefits was not significant for the year ended June 30, 2002.

Note 16. Vacation and Sick Leave

Employees can accrue vacation days at various rates depending upon length of service. There are no requirements that vacation leave be taken, but the maximum permissible accumulation is 320 hours except for firemen who can accumulate 480 hours. At termination, employees are paid for any unused accumulated vacation leave. Accumulated unpaid vacation pay is accrued when incurred in proprietary funds (using the accrual basis of accounting). The Governmental Fund Types (using the modified accrual basis of accounting) accrue only up to one year of accumulated unpaid vacation pay. The balance is considered long-term and recorded in the General Long-Term Debt Account Group which at June 30, 2002 had a balance of \$721,100.

Employees earn sick leave at the rate of 12 days per year. Unused sick leave may be carried forward to subsequent years. However, upon termination employees are not paid for accumulated sick leave. Thus, the accumulated unpaid sick leave has not been recorded in the accounts of the various funds.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Note 17. Commitments and Contingencies

The City is a defendant in various claims and suits arising from the ordinary course of business. The City's legal counsel believes that it has meritorious defenses and that any liability resulting from these matters would not be material. Accordingly, no provision for loss related to litigation has been made in the accompanying financial statements.

Commitments for major construction and capital improvements projects totaled \$3,277,445 at June 30, 2002.

Note 18. Operating Transfers In/Out

During the course of normal operations, the City has operating transfers between the various funds. Operating transfers in and out for the year ended June 30, 2002 are summarized as follows:

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 465,728	\$ 5,436,347
Redevelopment Agency Fund	-0-	2,146,024
Community Development Fund	-0-	231,549
Community Arts Fund	370,378	-0-
General Purposes Debt Service Fund	4,681,114	-0-
Capital Projects Fund	3,010,081	925,316
Electric Utilities Fund	534,628	-0-
Recreation Fund	187,307	50,000
Insurance & Risk Management Fund	-0-	360,000
Information Services Fund	-0-	100,000
	<u>\$ 9,249,236</u>	<u>\$ 9,249,236</u>

Note 19. General Fund Administrative Charges

The General Fund charges certain special revenue funds and proprietary funds for various services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City. The amounts charged to those funds during fiscal year 2002 are as follows:

	<u>General Government</u>	<u>Public Works Administration</u>	<u>Total</u>
Special Revenue Funds:			
Redevelopment Agency	\$ 42,990	\$ 878	\$ 43,868
Enterprise Funds:			
Water Fund	494,967	-0-	494,967
Waste Collection Fund	88,345	7,408	95,753
Storm Water Utilities Fund	97,498	-0-	97,498
Internal Service Funds:			
Fleet Operations Fund	98,373	16,758	115,131
Information Services Fund	<u>56,161</u>	<u>132</u>	<u>56,293</u>
Total	<u>\$ 878,334</u>	<u>\$ 25,176</u>	<u>\$ 903,510</u>

**SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

Note 20. Segment Information for Enterprise Funds

The City maintains six Enterprise Funds which provide water, waste collection, electric utilities, storm water utilities, recreation services, and golfing activities. Segment information for the fiscal year ended June 30, 2002 is as follows:

	Water Fund	Waste Collection Fund	Electric Utilities Fund	Storm Water Utilities Fund	Recreation Fund	Golf Fund	Total
Operating Revenue	\$13,052,346	\$3,134,782	\$68,462	\$2,185,696	\$593,369	\$0	\$19,034,655
Depreciation Expense	2,208,261	-0-	257,938	44,937	-0-	-0-	2,511,136
Operating Income (Loss)	3,874,893	(363,698)	(713,066)	988,832	(285,089)	-0-	3,501,872
Operating Transfers In	-0-	-0-	534,628	-0-	137,307	-0-	671,935
Net Income (Loss)	4,898,320	(339,160)	(130,140)	1,665,485	(142,292)	-0-	5,952,213
Developers Fees/Contributions	1,158,810	-0-	4,764	393,614	-0-	-0-	1,557,188
Additions to Utility Plant in Service	1,532,907	-0-	429,605	776,376	-0-	4,225,300	6,964,188
Net Working Capital	8,450,157	457,012	1,516,280	2,768,432	139,986	-0-	13,331,867
Investments in Joint Venture	-0-	4,663,731	-0-	-0-	-0-	-0-	4,663,731
Total Assets	69,364,768	5,482,252	8,570,271	16,023,734	155,495	4,225,300	103,821,820
Revenue Bonds Payable	7,317,713	-0-	-0-	480,000	-0-	-0-	7,797,713
Unreserved Retained Earnings	13,435,769	5,120,743	8,475,948	5,909,645	139,986	-0-	33,082,091
Total Equity	60,672,527	5,120,743	8,475,948	5,909,645	139,986	-0-	80,318,849

Note 21. Reconciliation of Unbudgeted Funds

The City does not budget all Debt Service Funds. Only the General Purposes Debt Service budget is included in the Combined Statement of Revenues, Expenditures, and Changes in Unreserved Fund Balances - Budget (GAAP Basis) and Actual, since budgets are not legally required for the special assessment funds. A reconciliation of actual results for budgeted and unbudgeted Debt Service Funds follows:

	Unreserved Fund Balance July 1, 2001	Revenues	Expenditures	Other Financing Sources and Transfers	Unreserved Fund Balance June 30, 2002
Budgeted Funds:					
General Purposes	\$ 164,255	\$ 918,135	\$ 5,720,370	\$ 4,847,343	\$ 209,363
Unbudgeted Funds:					
Special Improvement District	267,547	259,994	2,258,685	1,533,737	(197,407)
Special Improvement Guarantee	<u>571,341</u>	<u>16,163</u>	<u>-0-</u>	<u>(2,263)</u>	<u>585,241</u>
Total	<u>\$ 1,003,143</u>	<u>\$ 1,194,292</u>	<u>\$ 7,979,055</u>	<u>\$ 6,378,817</u>	<u>\$ 597,197</u>

**SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

Note 22. Metropolitan Water District of Salt Lake City Annexation

On May 3, 1988, the City petitioned for annexation into the Metropolitan Water District of Salt Lake City (Metropolitan Water District). On January 9, 1989, the petition was approved. However, the annexation was conditioned on the City's exclusion from the Salt Lake County Water Conservancy District (County Conservancy District), the City's payment for expansion of the Parley's Water Treatment Plant, and meeting certain other requirements. On August 29, 1989, the voters of the City approved this annexation and deannexation concept with approximately 95% voting in favor and 5% opposed.

On August 24, 1989, the City reached a deannexation settlement with the County Conservancy District. All of the requirements having been met, the City was annexed into the Metropolitan Water District on February 22, 1990 and withdrew from the County Conservancy District on June 8, 1990.

As part of the agreement, the City paid the County Conservancy District the sum of \$1,272,000 which represents the net present value of the estimated County Conservancy District tax revenues through the year 2002 which will be lost to and collected by Metropolitan Water District as a result of the deannexation. The current balance of \$ -0- has been reported as prepaid water purchases since the City will receive water from Metropolitan Water District in this amount through an exchange agreement with the County Conservancy District. The cost of annexation into the Metropolitan Water District has been recorded as an investment in water stock, rights, and capacity.

Note 23. Risk Management

The City is exposed to various risks of loss including torts; workers compensation claims; theft of, damage to or destruction of assets; errors and omissions; and natural disasters. Insurance coverages for these risks were provided by several commercial insurance carriers. The general liability policy has a \$500,000 self insured retention with a \$7,000,000 limit per occurrence. Workers compensation claims are covered by the Workers Compensation Fund. The City commercially insures real property and also insures fleet equipment with individual values in excess of \$40,000 and self-insures all other fleet equipment. For the last 3 years, claim settlements have not exceeded insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR). The liability for claims and judgements is reported in the Insurance & Risk Management Fund and has been expensed in the current period. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Year Ended June 30, 2002</u>	<u>Year Ended June 30, 2001</u>
Unpaid Claims, Beginning of Fiscal Year	\$832,958	\$ 941,650
Incurred Claims & Changes in Estimates (Including IBNR's)	281,431	329,274
Claims Payments	<u>(236,536)</u>	<u>(437,966)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 877,853</u>	<u>\$ 832,958</u>

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

Note 24. Sandy City Redevelopment Agency

For the year ending June 30, 2002 the following activity occurred in the City's Redevelopment Agency:

Tax increment collected by the Agency for each project area:

South Towne	\$ 1,447,756
Civic Center South	1,164,052
Civic Center North	<u>1,111,713</u>
	<u>\$ 3,723,521</u>

Tax increment paid to other taxing agencies	\$48,562
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Outstanding loans which financed RDA projects	\$18,319,967
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Amounts expended for:

Installation of public utilities or other public improvements	\$ 564,841
Administrative costs	\$ 198,069

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**SANDY CITY
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and Cash Equivalents	\$3,694,782	\$3,289,776
Accounts Receivable - Net	34,339	-0-
Taxes Receivable - Net	3,275,104	3,224,549
Due From Other Governmental Units	52,054	98,539
Other Assets	<u>25,547</u>	<u>4,362</u>
Total Assets	<u><u>\$7,081,826</u></u>	<u><u>\$6,617,226</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$714,730	\$455,815
Wages, Salaries, and Benefits Payable	983,124	1,068,699
Deferred/Unearned Income	402,251	351,186
Performance Bonds/Customer Credits & Deposits	<u>1,042,444</u>	<u>1,032,249</u>
Total Liabilities	<u>3,142,549</u>	<u>2,907,949</u>
Fund Balance:		
Unreserved, Undesignated	<u>3,939,277</u>	<u>3,709,277</u>
Total Fund Balance	<u>3,939,277</u>	<u>3,709,277</u>
Total Liabilities and Fund Balance	<u><u>\$7,081,826</u></u>	<u><u>\$6,617,226</u></u>

**SANDY CITY
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001**

	2002	2001
Revenues:		
Taxes and Special Assessments	\$26,855,964	\$25,668,643
Licenses and Permits	1,690,617	1,818,123
Intergovernmental	3,136,962	3,757,072
Charges for Services	1,269,255	1,192,235
Administrative Charges	903,510	764,738
Fines and Forfeitures	2,175,221	1,888,085
Interest	109,191	184,376
Miscellaneous	9,125	51,498
Total Revenues	36,149,845	35,324,770
Expenditures:		
General Government	6,640,662	6,112,336
Public Safety	16,025,672	14,509,321
Public Works	4,183,238	3,755,793
Parks and Recreation	2,366,629	2,035,922
Community Development	1,723,142	1,801,740
Total Expenditures	30,939,343	28,215,112
Excess of Revenues Over Expenditures	5,210,502	7,109,658
Other Financing Sources and (Uses):		
Change in the Fair Value of Investments	(9,883)	-0-
Operating Transfers In	465,728	100,000
Operating Transfers Out	(5,436,347)	(6,386,158)
Total Other Financing Sources and (Uses)	(4,980,502)	(6,286,158)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	230,000	823,500
Unreserved Fund Balance, Beginning of Year	3,709,277	2,885,777
Unreserved Fund Balance, End of Year	\$3,939,277	\$3,709,277

**SANDY CITY
GENERAL FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001**

	2002			2001		
	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes:						
Property	\$6,609,900	\$6,746,658	\$136,758	\$5,667,100	\$5,737,847	\$70,747
Sales	14,414,000	14,740,321	326,321	14,795,100	14,773,043	(22,057)
Franchise	4,284,100	4,501,770	217,670	3,810,100	4,435,823	625,723
Motor Vehicle Fee	855,078	867,215	12,137	836,028	721,930	(114,098)
Total Taxes	26,163,078	26,855,964	692,886	25,108,328	25,668,643	560,315
Licenses and Permits	1,629,000	1,690,617	61,617	1,588,500	1,818,123	229,623
Intergovernmental	3,389,201	3,136,962	(252,239)	3,849,420	3,757,072	(92,348)
Charges for Services	1,166,500	1,269,255	102,755	1,196,900	1,192,235	(4,665)
Administrative Charges	903,510	903,510	-0-	764,738	764,738	-0-
Fines and Forfeitures	1,780,900	2,175,221	394,321	1,533,000	1,888,085	355,085
Interest	184,900	109,191	(75,709)	225,000	184,376	(40,624)
Miscellaneous	11,000	9,125	(1,875)	9,000	51,498	42,498
Total Revenues	35,228,089	36,149,845	921,756	34,274,886	35,324,770	1,049,884
Expenditures - Current:						
General Government:						
Mayor	385,813	375,885	9,928	355,006	344,471	10,535
City Administrator	1,837,416	1,735,734	101,682	1,620,763	1,591,261	29,502
Council	439,400	414,200	25,200	404,463	387,728	16,735
Attorney	805,078	805,078	-0-	743,917	742,753	1,164
Court Services	882,802	882,647	155	804,534	800,573	3,961
Administrative Services	1,382,430	1,379,963	2,467	1,458,100	1,456,831	1,269
Non-Departmental	1,529,526	1,047,155	482,371	1,125,053	788,719	336,334
Total General Government	7,262,465	6,640,662	621,803	6,511,836	6,112,336	399,500
Public Safety:						
Police	10,337,077	10,336,767	310	9,718,765	9,611,764	107,001
Fire	5,693,338	5,688,905	4,433	4,899,690	4,897,557	2,133
Total Public Safety	16,030,415	16,025,672	4,743	14,618,455	14,509,321	109,134
Public Works	4,883,786	4,183,238	700,548	4,052,375	3,755,793	296,582
Parks and Recreation	2,367,018	2,366,629	389	2,057,811	2,035,922	21,889
Community Development	1,723,909	1,723,142	767	1,802,418	1,801,740	678
Total Expenditures	32,267,593	30,939,343	1,328,250	29,042,895	28,215,112	827,783
Excess of Revenues Over Expenditures	2,960,496	5,210,502	2,250,006	5,231,991	7,109,658	1,877,667
Other Financing Sources (Uses):						
Change in Fair Value of Investments	-0-	(9,883)	(9,883)	-0-	-0-	-0-
Operating Transfers In	465,728	465,728	-0-	100,000	100,000	-0-
Operating Transfers Out	(3,196,224)	(5,436,347)	(2,240,123)	(4,508,491)	(6,386,158)	(1,877,667)
Total Other Financing Sources (Uses)	(2,730,496)	(4,980,502)	(2,250,006)	(4,408,491)	(6,286,158)	(1,877,667)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	230,000	230,000	-0-	823,500	823,500	-0-
Unreserved Fund Balance, Beginning of Year	3,709,277	3,709,277	-0-	2,885,777	2,885,777	-0-
Unreserved Fund Balance, End of Year	\$3,939,277	\$3,939,277	\$ -0-	\$3,709,277	\$3,709,277	\$ -0-

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Sandy Redevelopment Agency Fund - This fund is used to account for the tax increment revenues and the tax increment bond proceeds that are legally restricted for expenditures in the Sandy Redevelopment Agency project area.

Community Development Fund - This fund is used to account for the revenues received by the City as grantee participant in the Community Development Block Grant program.

Community Arts Fund - The City elects to sponsor certain performing arts, programs and special events. This fund is used to account for the revenue and expenditures associated with these events.

Amphitheater - The City arranges for concerts, programs, and special events to be performed within our amphitheater for the enjoyment of our citizens. This fund is used to account for the revenue and expenditures associated with these events.

Landscape Maintenance Fund - This fund is used to account for the service-type special assessments legally restricted for operation and maintenance of streetscapes.

SANDY CITY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	REDEVELOPMENT AGENCY	COMMUNITY DEVELOPMENT	COMMUNITY ARTS	AMPHITHEATER	LANDSCAPE MAINTENANCE	TOTALS	
						2002	2001
ASSETS							
Cash and Cash Equivalents	\$2,082,918	\$80,907	\$49,153	\$35,093	\$352,014	\$2,600,085	\$1,892,591
Accounts Receivable - Net	-0-	-0-	-0-	-0-	-0-	-0-	52
Due From Other Governmental Units	67,764	161,540	-0-	-0-	-0-	229,304	79,700
Other Assets	131	-0-	3,300	-0-	-0-	3,431	831
Total Assets	<u>\$2,150,813</u>	<u>\$242,447</u>	<u>\$52,453</u>	<u>\$35,093</u>	<u>\$352,014</u>	<u>\$2,832,820</u>	<u>\$1,973,174</u>
LIABILITIES AND FUND BALANCE:							
Liabilities							
Accounts Payable	\$12,001	\$78,095	\$3,429	\$6,066	\$ -0-	\$99,591	\$41,535
Wages, Salaries, and Benefits Payable	4,269	2,956	3,080	2,209	-0-	12,514	20,915
Deferred Revenue	-0-	-0-	7,500	-0-	-0-	7,500	7,500
Due to Other Governmental Units	-0-	161,396	-0-	-0-	-0-	161,396	-0-
Due to Other Funds	-0-	-0-	-0-	-0-	-0-	-0-	4,628
Total Liabilities	<u>16,270</u>	<u>242,447</u>	<u>14,009</u>	<u>8,275</u>	<u>-0-</u>	<u>281,001</u>	<u>74,578</u>
Fund Balance							
Unreserved undesignated	<u>2,134,543</u>	<u>-0-</u>	<u>38,444</u>	<u>26,818</u>	<u>352,014</u>	<u>2,551,819</u>	<u>1,898,596</u>
Total Liabilities and Fund Balance	<u>\$2,150,813</u>	<u>\$242,447</u>	<u>\$52,453</u>	<u>\$35,093</u>	<u>\$352,014</u>	<u>\$2,832,820</u>	<u>\$1,973,174</u>

SANDY CITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	REDEVELOPMENT AGENCY	COMMUNITY DEVELOPMENT	COMMUNITY ARTS	AMPHITHEATER	LANDSCAPE MAINTENANCE	TOTALS	
						2002	2001
Revenues:							
Property Tax Increment	\$3,723,521	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$3,723,521	\$3,264,862
Special Assessments	-0-	-0-	-0-	-0-	9,520	9,520	10,938
Intergovernmental	-0-	689,067	-0-	-0-	-0-	689,067	655,961
Ticket Sales	-0-	-0-	13,356	208,678	-0-	222,034	174,437
Interest	54,318	-0-	5,508	-0-	10,738	70,564	189,779
Total Revenues	3,777,839	689,067	18,864	208,678	20,258	4,714,706	4,295,977
Expenditures:							
Administration:							
Wages, Salaries, and Benefits	176,861	91,095	130,288	35,530	-0-	433,774	411,971
Materials and Supplies	21,208	17,890	98,713	143,259	-0-	281,070	291,962
Services and Charges	235,067	215,256	156,935	2,977	-0-	610,235	648,516
Capital Outlay	564,841	133,277	-0-	-0-	24,336	722,454	691,999
Total Expenditures	997,977	457,518	385,936	181,766	24,336	2,047,533	2,044,448
Excess (Deficiency) of Revenues Over							
(Under) Expenditures	2,779,862	231,549	(367,072)	26,912	(4,078)	2,667,173	2,251,529
Other Financing Sources (Uses):							
Change in the Fair Value of Investments	(5,585)	-0-	(132)	(94)	(944)	(6,755)	-0-
Net Operating Transfers	(2,146,024)	(231,549)	370,378	-0-	-0-	(2,007,195)	(1,913,382)
Total Other Financing Sources (Uses)	(2,151,609)	(231,549)	370,246	(94)	(944)	(2,013,950)	(1,913,382)
Excess (Deficiency) of Revenues and							
Other Financing Sources Over (Under)							
Expenditures and Other Financing Uses	628,253	-0-	3,174	26,818	(5,022)	653,223	338,147
Unreserved Fund Balance (Deficit),							
Beginning of Year	1,506,290	-0-	35,270	-0-	357,036	1,898,596	1,560,449
Unreserved Fund Balance,							
End of Year	\$2,134,543	\$ -0-	\$38,444	\$26,818	\$352,014	\$2,551,819	\$1,898,596

SANDY CITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002

	REDEVELOPMENT AGENCY			COMMUNITY DEVELOPMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Property Tax Increment	\$5,287,497	\$3,723,521	(\$1,563,976)	\$ -0-	\$ -0-	\$ -0-
Special Assessments	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	730,000	689,067	(40,933)
Ticket Sales	-0-	-0-	-0-	-0-	-0-	-0-
Interest	114,000	54,318	(59,682)	-0-	-0-	-0-
Total Revenues	5,401,497	3,777,839	(1,623,658)	730,000	689,067	(40,933)
Expenditures:						
Administration:						
Salaries, Wages and Benefits	178,297	176,861	1,436	83,919	91,095	(7,176)
Materials and Supplies	42,383	21,208	21,175	26,657	17,890	8,767
Services and Charges	321,189	235,067	86,122	668,938	215,256	453,682
Capital Outlay	2,840,850	564,841	2,276,009	356,071	133,277	222,794
Total Expenditures	3,382,719	997,977	2,384,742	1,135,585	457,518	678,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,018,778	2,779,862	761,084	(405,585)	231,549	637,134
Other Financing Sources (Uses):						
Change in the Fair Value of Investments	-0-	(5,585)	(5,585)	-0-	-0-	-0-
Net Operating Transfers	(2,172,683)	(2,146,024)	26,659	(231,399)	(231,549)	(150)
Total Other Financing Sources (Uses)	(2,172,683)	(2,151,609)	21,074	(231,399)	(231,549)	(150)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(153,905)	628,253	782,158	(636,984)	-0-	636,984
Unreserved Fund Balance (Deficit), Beginning of Year	44,919	1,506,290	1,461,371	94,838	-0-	(94,838)
Unreserved Fund Balance (Deficit), End of Year	(\$108,986)	\$2,134,543	\$2,243,529	(\$542,146)	\$ -0-	\$542,146

COMMUNITY ARTS			AMPHITHEATER		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-
5,700	13,356	7,656	196,500	208,678	12,178
10,500	5,508	(4,992)	-0-	-0-	-0-
16,200	18,864	2,664	196,500	208,678	12,178
127,089	130,288	(3,199)	30,151	35,530	(5,379)
100,880	98,713	2,167	162,077	143,259	18,818
158,609	156,935	1,674	4,272	2,977	1,295
-0-	-0-	-0-	-0-	-0-	-0-
386,578	385,936	642	196,500	181,766	14,734
(370,378)	(367,072)	3,306	-0-	26,912	26,912
-0-	(132)	(132)	-0-	(94)	(94)
370,378	370,378	-0-	-0-	-0-	-0-
370,378	370,246	(132)	-0-	(94)	(94)
-0-	3,174	3,174	-0-	26,818	26,818
18,684	35,270	16,586	-0-	-0-	-0-
\$18,684	\$38,444	\$19,760	\$ -0-	\$26,818	\$26,818

SANDY CITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002

	LANDSCAPE MAINTENANCE			TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Property Tax Increment	\$ -0-	\$ -0-	\$ -0-	\$5,287,497	\$3,723,521	(\$1,563,976)
Special Assessments	16,500	9,520	(6,980)	16,500	9,520	(6,980)
Intergovernmental	-0-	-0-	-0-	730,000	689,067	(40,933)
Ticket Sales	-0-	-0-	-0-	202,200	222,034	19,834
Interest	20,000	10,738	(9,262)	144,500	70,564	(73,936)
Total Revenues	36,500	20,258	(16,242)	6,380,697	4,714,706	(1,665,991)
Expenditures:						
Administration:						
Salaries, Wages and Benefits	-0-	-0-	-0-	419,456	433,774	(14,318)
Materials and Supplies	-0-	-0-	-0-	331,997	281,070	50,927
Services and Charges	-0-	-0-	-0-	1,153,008	610,235	542,773
Capital Outlay	56,167	24,336	31,831	3,253,088	722,454	2,530,634
Total Expenditures	56,167	24,336	31,831	5,157,549	2,047,533	3,110,016
Excess (Deficiency) of Revenues Over						
(Under) Expenditures	(19,667)	(4,078)	15,589	1,223,148	2,667,173	1,444,025
Other Financing Sources (Uses):						
Change in the Fair Value of Investments	-0-	(944)	(944)	-0-	(6,755)	(6,755)
Net Operating Transfers	-0-	-0-	-0-	(2,033,704)	(2,007,195)	26,509
Total Other Financing Sources (Uses)	-0-	(944)	(944)	(2,033,704)	(2,013,950)	19,754
Excess (Deficiency) of Revenues and						
Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	(19,667)	(5,022)	14,645	(810,556)	653,223	1,463,779
Unreserved Fund Balance (Deficit),						
Beginning of Year	327,127	357,036	29,909	485,568	1,898,596	1,413,028
Unreserved Fund Balance (Deficit),						
End of Year	\$307,460	\$352,014	\$44,554	(\$324,988)	\$2,551,819	\$2,876,807

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment.

General Purposes Debt Service Fund - This fund is used to account for resources accumulated to repay General Obligation Bonds, Tax Increment Bonds, and the Civic Center Mortgage.

Special Improvement District Fund - This fund is used to account for resources accumulated to repay Special Assessment Bonds.

Special Improvement Guarantee Fund - This fund is used to account for the financing of the guaranty fund required by Utah State Law and the bond indentures of the Southridge and Hidden Valley Special Improvement Districts.

SANDY CITY
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	GENERAL PURPOSES	SPECIAL IMPROVEMENT DISTRICT	SPECIAL IMPROVEMENT GUARANTEE	TOTALS	
				2002	2001
ASSETS					
Cash and Cash Equivalents	\$151,588	\$7,053	\$585,241	\$743,882	\$1,021,334
Accounts Receivable - Net	53,641	-0-	-0-	53,641	16,111
Special Assessments Receivable	-0-	1,850,000	-0-	1,850,000	1,975,000
Due From Other Funds	-0-	-0-	-0-	-0-	4,628
Other Assets	34,561	-0-	-0-	34,561	-0-
Restricted Assets:					
Cash and Cash Equivalents:					
Special Improvement Guarantee Fund	-0-	-0-	258,500	258,500	258,500
Debt Service	3,847,230	-0-	-0-	3,847,230	3,847,230
Total Assets	<u>\$4,087,020</u>	<u>\$1,857,053</u>	<u>\$843,741</u>	<u>\$6,787,814</u>	<u>\$7,122,803</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts Payable	\$250	\$204,460	\$ -0-	\$204,710	\$ -0-
Deferred/Unearned Income	30,177	1,850,000	-0-	1,880,177	2,013,930
Total Liabilities	<u>30,427</u>	<u>2,054,460</u>	<u>-0-</u>	<u>2,084,887</u>	<u>2,013,930</u>
Fund Balance:					
Reserved:					
Reserved for Debt Service	3,847,230	-0-	258,500	4,105,730	4,105,730
Unreserved, undesignated	209,363	(197,407)	585,241	597,197	1,003,143
Total Fund Balance	<u>4,056,593</u>	<u>(197,407)</u>	<u>843,741</u>	<u>4,702,927</u>	<u>5,108,873</u>
Total Liabilities and Fund Balance	<u>\$4,087,020</u>	<u>\$1,857,053</u>	<u>\$843,741</u>	<u>\$6,787,814</u>	<u>\$7,122,803</u>

SANDY CITY
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	GENERAL PURPOSES	SPECIAL IMPROVEMENT DISTRICT	SPECIAL IMPROVEMENT GUARANTEE	TOTALS	
				2002	2001
Revenues:					
Taxes	\$487,030	\$ -0-	\$ -0-	\$487,030	\$256,708
Special Assessments	-0-	250,879	-0-	250,879	247,139
Building Rental	271,452	-0-	-0-	271,452	271,452
Interest	159,653	9,115	16,163	184,931	312,473
Total Revenues	918,135	259,994	16,163	1,194,292	1,087,772
Expenditures:					
Capital Outlay	-0-	1,902,608	-0-	1,902,608	-0-
Debt Service:					
Principal Retirement	3,381,756	120,000	-0-	3,501,756	3,220,773
Interest and Agents' Fees	2,338,614	236,077	-0-	2,574,691	2,405,391
Total Expenditures	5,720,370	2,258,685	-0-	7,979,055	5,626,164
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(4,802,235)	(1,998,691)	16,163	(6,784,763)	(4,538,392)
Other Financing Sources (Uses):					
Bond Proceeds	176,954	1,533,756	-0-	1,710,710	17,527
Change in the Fair Value of Investments	(10,725)	(19)	(2,263)	(13,007)	-0-
Operating Transfers In	4,681,114	-0-	-0-	4,681,114	4,510,024
Operating Transfers Out	-0-	-0-	-0-	-0-	(303,202)
Total Other Financing Sources (Uses)	4,847,343	1,533,737	(2,263)	6,378,817	4,224,349
Excess (Deficiency) of Revenues and					
Other Financing Sources Over (Under)					
Expenditures and Other Financing Uses	45,108	(464,954)	13,900	(405,946)	(314,043)
Other Changes in Unreserved Fund Balances:					
Transfers From Reserved Fund Balance	-0-	-0-	-0-	-0-	47,823
Unreserved Fund Balance,					
Beginning of Year	164,255	267,547	571,341	1,003,143	1,269,363
Unreserved Fund Balance, (Deficiency)					
End of Year	\$209,363	(\$197,407)	\$585,241	\$597,197	\$1,003,143

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CAPITAL PROJECTS FUND

The Capital Projects (Capital Improvements) Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and special revenue funds. The principal source of funding is contributions from developers restricted for capital construction plus operating transfers from the General Fund.

SANDY CITY
CAPITAL PROJECTS (CAPITAL IMPROVEMENTS) FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Cash and Cash Equivalents	\$10,257,328	\$10,245,895
Accounts Receivable - Net	139	60,124
Due From Other Governmental Units	21,709	-0-
Restricted Assets - Cash and Cash Equivalents:		
State Road Funds	1,299,106	1,372,464
Capital Projects	3,392,020	6,324,753
Total Assets	<u>\$14,970,302</u>	<u>\$18,003,236</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	<u>\$241,578</u>	<u>\$817,349</u>
Fund Balance:		
Reserved:		
State Road Funds	1,299,106	1,372,464
Capital Projects	3,392,020	6,324,753
Unreserved, undesignated	<u>10,037,598</u>	<u>9,488,670</u>
Total Fund Balance	<u>14,728,724</u>	<u>17,185,887</u>
Total Liabilities and Fund Balance	<u>\$14,970,302</u>	<u>\$18,003,236</u>

SANDY CITY
CAPITAL PROJECTS (CAPITAL IMPROVEMENTS) FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002			2001
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Taxes and Special Assessments	\$ -0-	\$1,167,867	\$1,167,867	\$194,981
Intergovernmental	2,092,000	1,583,268	(508,732)	355,000
Fines and Forfeitures	134,000	130,294	(3,706)	133,856
Interest	494,000	408,838	(85,162)	1,036,168
Fees from Developers	578,354	624,627	46,273	247,567
Miscellaneous	99,098	342,448	243,350	99,546
Total Revenues	3,397,452	4,257,342	859,890	2,067,118
Expenditures:				
Capital Outlays:				
Land	3,696,558	2,281,638	1,414,920	239,507
Buildings	1,705,193	1,034,709	670,484	1,450,645
Road Projects	6,141,138	3,422,924	2,718,214	2,308,672
Park Improvement Projects	6,393,051	1,831,573	4,561,478	2,503,620
Miscellaneous Projects	1,078,481	198,510	879,971	319,258
Total Expenditures	19,014,421	8,769,354	10,245,067	6,821,702
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(15,616,969)	(4,512,012)	11,104,957	(4,754,584)
Other Financing Sources (Uses):				
Long Term Debt Proceeds	-0-	-0-	-0-	582,473
Sale of Fixed Assets	-0-	10,202	10,202	152,220
Change in Fair Value of Investments	-0-	(40,118)	(40,118)	-0-
Operating Transfers In	757,397	3,010,081	2,252,684	4,188,516
Operating Transfers Out	(1,270,678)	(925,316)	345,362	(749,495)
Total Other Financing Sources (Uses)	(513,281)	2,054,849	2,568,130	4,173,714
Excess (Deficiency) of Revenues and				
Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	(16,130,250)	(2,457,163)	13,673,087	(580,870)
Other Changes in Reserved Fund Balance:				
Transfers From Reserved Fund Balances	7,697,217	3,006,091	(4,691,126)	2,614,748
Unreserved Fund Balance,				
Beginning of Year	1,814,072	9,488,670	7,674,598	7,454,792
Unreserved Fund Balance,				
End of Year	(\$6,618,961)	\$10,037,598	\$16,656,559	\$9,488,670

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ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Water Fund - This fund is used to account for the operations of the City's Water Utility.

Waste Collection Fund - This fund is used to account for waste collection services provided by an independent contractor.

Electric Utilities Fund - This fund is used to account for the operation of the City's electric utility.

Storm Water Utilities Fund - This fund is used to account for the City's revenues and capital expenditures associated with drainage for storm water run off.

Recreation Fund - This fund is used to account for the City's recreation activities.

Golf Fund - This fund is used to account for the City's golf course.

SANDY CITY
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	WATER	WASTE COLLECTION	ELECTRIC UTILITIES	STORM WATER UTILITIES	RECREATION	GOLF	TOTALS	
							2002	2001
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$2,768,639	\$464,935	\$1,643,351	\$3,084,424	\$154,687	\$ -0-	\$8,116,036	\$10,937,602
Accounts Receivable - Net	2,940,304	353,586	(32,748)	275,051	808	-0-	3,537,001	2,868,202
Due From Other Funds	4,225,300	-0-	-0-	-0-	-0-	-0-	4,225,300	-0-
Inventory	194,300	-0-	-0-	-0-	-0-	-0-	194,300	203,072
Other	481,142	-0-	-0-	-0-	-0-	-0-	481,142	481,142
Total Current Assets	10,609,685	818,521	1,610,603	3,359,475	155,495	-0-	16,553,779	14,490,018
Restricted Assets:								
Cash and Cash Equivalents:								
Capital Projects	-0-	-0-	-0-	10,109,699	-0-	-0-	10,109,699	-0-
Debt Service	1,196,290	-0-	-0-	-0-	-0-	-0-	1,196,290	1,196,290
Prepaid Water Purchases	-0-	-0-	-0-	-0-	-0-	-0-	-0-	51,893
Deferred Charges	70,412	-0-	-0-	32,787	-0-	-0-	103,199	88,733
Investment in Water Stock, Rights, and Capacity	12,521,082	-0-	-0-	-0-	-0-	-0-	12,521,082	11,471,676
Investment in Joint Venture	-0-	4,663,731	-0-	-0-	-0-	-0-	4,663,731	4,655,222
Net Capital Assets	41,701,835	-0-	6,959,668	2,144,322	-0-	4,225,300	55,031,125	50,701,243
Construction In Progress	3,265,464	-0-	-0-	377,451	-0-	-0-	3,642,915	1,419,572
Total Assets	\$69,364,768	\$5,482,252	\$8,570,271	\$16,023,734	\$155,495	\$4,225,300	\$103,821,820	\$84,074,647
LIABILITIES AND FUND EQUITY:								
Current Liabilities:								
Accounts Payable	\$1,053,697	\$335,701	\$83,510	\$91,135	\$3,340	\$ -0-	\$1,567,383	\$1,318,644
Wages, Salaries, and Benefits Payable	43,966	6,674	1,248	11,844	12,169	-0-	75,901	80,264
Due to Other Funds	-0-	-0-	-0-	-0-	-0-	4,225,300	4,225,300	-0-
Accrued Interest Payable	198,631	-0-	-0-	-0-	-0-	-0-	198,631	217,006
Deferred/Unearned Income	15,650	-0-	-0-	-0-	-0-	-0-	15,650	-0-
Performance Bonds/Customer Credits & Deposits	62,584	19,134	9,565	8,064	-0-	-0-	99,347	93,932
Bonds Payable - Current	785,000	-0-	-0-	480,000	-0-	-0-	1,265,000	750,000
Total Current Liabilities	2,159,528	361,509	94,323	591,043	15,509	4,225,300	7,447,212	2,459,846
Bonds Payable - Long Term	6,532,713	-0-	-0-	9,523,046	-0-	-0-	16,055,759	7,248,165
Total Liabilities	8,692,241	361,509	94,323	10,114,089	15,509	4,225,300	23,502,971	9,708,011
Fund Equity:								
Contributed Capital	45,877,788	-0-	-0-	-0-	-0-	-0-	45,877,788	45,877,788
Retained Earnings:								
Reserved for Debt Service	1,358,970	-0-	-0-	-0-	-0-	-0-	1,358,970	1,358,970
Unreserved	13,435,769	5,120,743	8,475,948	5,909,645	139,986	-0-	33,082,091	27,129,878
Total Fund Equity	60,672,527	5,120,743	8,475,948	5,909,645	139,986	-0-	80,318,849	74,366,636
Total Liabilities and Fund Equity	\$69,364,768	\$5,482,252	\$8,570,271	\$16,023,734	\$155,495	\$4,225,300	\$103,821,820	\$84,074,647

**SANDY CITY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN UNRESERVED RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001**

	WATER	WASTE COLLECTION	ELECTRIC UTILITIES	STORM WATER UTILITIES	RECREATION	GOLF	TOTALS	
							2002	2001
Operating Revenues:								
Charges for Sales and Services	\$13,052,346	\$3,134,782	\$68,462	\$2,185,696	\$593,369	\$ -0-	\$19,034,655	\$16,804,347
Operating Expenses:								
Salaries and Benefits	1,539,125	179,428	126,643	573,580	400,534	-0-	2,819,310	2,427,845
Contract Services	-0-	2,560,956	-0-	-0-	-0-	-0-	2,560,956	2,175,040
Office Expenses and Supplies	170,472	48,986	1,866	142,485	27,049	-0-	390,858	356,111
Facilities Supplies and Maintenance	259,526	8,372	9,000	68,940	6,907	-0-	352,745	425,371
Transportation	233,040	77,151	4,717	162,735	5,155	-0-	482,798	454,581
Utilities	818,157	-0-	-0-	-0-	-0-	-0-	818,157	727,126
Source of Water Supply	2,776,894	-0-	-0-	-0-	-0-	-0-	2,776,894	2,554,644
Street Lighting	-0-	-0-	376,951	-0-	-0-	-0-	376,951	341,378
Professional Services	445,494	-0-	1,994	6,007	16,564	-0-	470,059	390,255
Insurance	225,492	-0-	2,419	99,917	-0-	-0-	327,828	467,390
Administrative Charges	494,967	95,753	-0-	97,498	-0-	-0-	688,218	559,698
Landfill Costs	-0-	525,915	-0-	-0-	-0-	-0-	525,915	545,430
Recreation Programs	-0-	-0-	-0-	-0-	422,249	-0-	422,249	446,452
Bad Debt	6,025	1,919	-0-	765	-0-	-0-	8,709	240,177
Total Operating Expenses	6,969,192	3,498,480	523,590	1,151,927	878,458	-0-	13,021,647	12,111,498
Operating Income (Loss)								
Before Depreciation	6,083,154	(363,698)	(455,128)	1,033,769	(285,089)	-0-	6,013,008	4,692,849
Depreciation	2,208,261	-0-	257,938	44,937	-0-	-0-	2,511,136	2,485,452
Operating Income (Loss)	3,874,893	(363,698)	(713,066)	988,832	(285,089)	-0-	3,501,872	2,207,397
Non-Operating Income (Expense):								
Interest Income	223,434	17,276	52,266	145,334	5,905	-0-	444,215	653,325
Interest Expense	(485,132)	-0-	-0-	-0-	-0-	-0-	(485,132)	(530,010)
Fees from Developers	1,158,810	-0-	4,764	393,614	-0-	-0-	1,557,188	590,336
Equity in Earnings from Joint Venture	-0-	8,509	-0-	-0-	-0-	-0-	8,509	374,850
Cell Tower Leases	226,473	-0-	-0-	-0-	-0-	-0-	226,473	47,534
Change in the Fair Value of Investments	(10,634)	(1,247)	(4,407)	(35,386)	(415)	-0-	(52,089)	-0-
Other	(89,524)	-0-	(4,325)	173,091	-0-	-0-	79,242	14,414
Non-Operating Income (Expense) - Net	1,023,427	24,538	48,298	676,653	5,490	-0-	1,778,406	1,150,449
Income (Loss) Before Operating Transfers	4,898,320	(339,160)	(664,768)	1,665,485	(279,599)	-0-	5,280,278	3,357,846
Transfers:								
Operating Transfers In	-0-	-0-	534,628	-0-	187,307	-0-	721,935	689,954
Operating Transfers Out	-0-	-0-	-0-	-0-	(50,000)	-0-	(50,000)	-0-
Net Income (Loss)	4,898,320	(339,160)	(130,140)	1,665,485	(142,292)	-0-	5,952,213	4,047,800
Unreserved Retained Earnings, Beginning of Year	8,537,449	5,459,903	8,606,088	4,244,160	282,278	-0-	27,129,878	23,082,078
Unreserved Retained Earnings, End of Year	\$13,435,769	\$5,120,743	\$8,475,948	\$5,909,645	\$139,986	\$ -0-	\$33,082,091	\$27,129,878

**SANDY CITY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001**

	WATER	WASTE COLLECTION	ELECTRIC UTILITIES	STORM WATER UTILITIES	RECREATION	GOLF	TOTALS	
							2002	2001
Increase (Decrease) in Cash and Cash Equivalents:								
Cash Flows from Operating Activities:								
Operating Income (Loss)	\$3,874,893	(\$363,698)	(\$713,066)	\$988,832	(\$285,089)	\$ -0-	\$3,501,872	\$2,207,397
Adjustments to Reconcile Operating Income								
(Loss) to Net Cash Provided (Used) by								
Operating Activities:								
Depreciation	2,208,261	-0-	257,938	44,937	-0-	-0-	2,511,136	2,485,452
Changes in Assets and Liabilities								
Accounts Receivable - Net	(477,376)	(17,464)	1,518	(159,746)	(808)	-0-	(653,876)	853,246
Due From Other Funds	(4,225,300)	-0-	-0-	-0-	-0-	4,225,300	-0-	-0-
Inventory	8,772	-0-	-0-	-0-	-0-	-0-	8,772	(64,471)
Other Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,000
Prepaid Water Purchases	51,893	-0-	-0-	-0-	-0-	-0-	51,893	(399,270)
Accounts Payable	280,988	(2,442)	2,640	(4,716)	(12,081)	-0-	264,389	(139,365)
Wages, Salaries, and Benefits Payable	(8,709)	1,003	(759)	1,394	2,708	-0-	(4,363)	(149,284)
Customer Deposits	1,602	2,281	1,136	396	-0-	-0-	5,415	16,451
Change in the Fair Value of Investments	(10,634)	(1,247)	(4,407)	(35,386)	(415)	-0-	(52,089)	-0-
Net Cash Provided (Used) by								
Operating Activities	1,704,390	(381,567)	(455,000)	835,711	(295,685)	4,225,300	5,633,149	4,830,156
Cash Flows from Noncapital Financing Activities:								
Net Operating Transfers	-0-	-0-	534,628	-0-	137,307	-0-	671,935	689,954
Cash Flows from Capital Financing Activities:								
Acquisition of Capital Assets	(4,133,283)	-0-	(429,605)	(759,692)	-0-	(4,225,300)	(9,547,880)	(2,627,082)
Bond Proceeds	-0-	-0-	-0-	10,147,213	-0-	-0-	10,147,213	-0-
Principal Paid on Revenue Bonds	(750,000)	-0-	-0-	-0-	-0-	-0-	(750,000)	(705,000)
Interest Paid on Revenue Bonds	(415,638)	-0-	-0-	-0-	-0-	-0-	(415,638)	(457,423)
Proceeds from Sale of Fixed Assets	25,459	-0-	-0-	-0-	-0-	-0-	25,459	14,414
Proceeds from Cell Tower Lease	226,473	-0-	-0-	-0-	-0-	-0-	226,473	47,534
Contributions From Developers	469,752	-0-	4,764	393,614	-0-	-0-	868,130	1,046,186
Net Cash Provided (Used) by Capital								
Financing Activities	(4,577,237)	-0-	(424,841)	9,781,135	-0-	(4,225,300)	553,757	(2,681,371)
Cash Flows from Investing Activities:								
Interest Income Received	227,559	17,276	52,266	126,286	5,905	-0-	429,292	655,777
Net Increase (Decrease) in Cash and								
Cash Equivalents	(2,645,288)	(364,291)	(292,947)	10,743,132	(152,473)	-0-	7,288,133	3,494,516
Cash and Cash Equivalents - Beginning								
of Year	6,610,217	829,226	1,936,298	2,450,991	307,160	-0-	12,133,892	8,639,376
Cash and Cash Equivalents - End of Year	\$3,964,929	\$464,935	\$1,643,351	\$13,194,123	\$154,687	\$ -0-	\$19,422,025	\$12,133,892
Noncash Transactions Affecting Financial Position:								
Contributions of Fixed Assets								
From Developers	\$689,058	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$689,058	\$568,112
Increase in Investment in Joint Venture	-0-	8,509	-0-	-0-	-0-	-0-	8,509	374,850
Noncash Transactions Affecting Financial								
Position	\$689,058	\$8,509	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$697,567	\$942,962

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fleet Operations Fund - This fund is used to account for the rental of machinery, equipment, vehicles, and their related costs to other departments.

Information Services Fund - This fund is used to account for the accumulation and allocation of costs associated with the centralized data processing systems.

Insurance & Risk Management Fund - This fund is used to account for the accumulation and allocation of costs associated with general liability, worker's compensation and risk management functions.

Equipment Management Fund - This fund is used to account for the accumulation and allocation of costs associated with the purchase of equipment for the governmental funds.

Payroll Management Fund - this fund is used to account for the liability associated with the accumulation of employee compensated absences.

SANDY CITY
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	FLEET OPERATIONS	INFORMATION SERVICES	INSURANCE & RISK MANAGEMENT	EQUIPMENT MANAGEMENT	PAYROLL MANAGEMENT	TOTALS	
						2002	2001
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$2,115,962	\$776,394	\$2,386,444	\$415,250	\$1,226,633	\$6,920,683	\$7,104,147
Inventory	40,318	-0-	-0-	-0-	-0-	40,318	50,740
Other Assets	150	1,551	-0-	-0-	-0-	1,701	150
Total Current Assets	2,156,430	777,945	2,386,444	415,250	1,226,633	6,962,702	7,155,037
Machinery, Equipment and Vehicles - Net	8,050,535	312,124	-0-	-0-	-0-	8,362,659	8,756,186
Total Assets	\$10,206,965	\$1,090,069	\$2,386,444	\$415,250	\$1,226,633	\$15,325,361	\$15,911,223
LIABILITIES AND FUND EQUITY							
Current Liabilities:							
Accounts Payable	\$57,136	\$12,156	\$36,529	\$26,633	\$ -0-	\$132,454	\$172,260
Wages, Salaries, and Benefits Payable	28,470	11,677	(3,454)	-0-	-0-	36,693	31,492
Claims and Judgments Payable	-0-	-0-	877,853	-0-	-0-	877,853	832,958
Compensated Absences Payable	-0-	-0-	-0-	-0-	1,193,399	1,193,399	967,523
Total Current Liabilities	85,606	23,833	910,928	26,633	1,193,399	2,240,399	2,004,233
Long-Term Liabilities:							
Compensated Absences Payable	-0-	-0-	-0-	-0-	-0-	-0-	92,502
Total Liabilities	85,606	23,833	910,928	26,633	1,193,399	2,240,399	2,096,735
Fund Equity:							
Contributed Capital	964,918	-0-	-0-	-0-	-0-	964,918	964,918
Retained Earnings - Unreserved	9,156,441	1,066,236	1,475,516	388,617	33,234	12,120,044	12,849,570
Total Fund Equity	10,121,359	1,066,236	1,475,516	388,617	33,234	13,084,962	13,814,488
Total Liabilities and Fund Equity	\$10,206,965	\$1,090,069	\$2,386,444	\$415,250	\$1,226,633	\$15,325,361	\$15,911,223

SANDY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN UNRESERVED RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	FLEET OPERATIONS	INFORMATION SERVICES	INSURANCE & RISK MANAGEMENT	EQUIPMENT MANAGEMENT	PAYROLL MANAGEMENT	TOTALS	
						2002	2001
Operating Revenues:							
Charges for Sales and Services	\$3,082,864	\$873,696	\$1,105,070	\$287,403	\$175,732	\$5,524,765	\$5,204,267
Operating Expenses:							
Salaries and Benefits	589,916	398,551	206,062	-0-	186,507	1,381,036	1,125,861
Office Expenses and Supplies	14,512	165,349	8,982	-0-	-0-	188,843	65,573
Equipment Supplies & Maintenance	661,095	15,400	3,456	277,655	-0-	957,606	863,180
Professional Services	14,699	2,341	6,447	-0-	-0-	23,487	29,350
Insurance	20,028	-0-	1,109,515	-0-	-0-	1,129,543	747,612
Administrative Charges	115,131	56,293	-0-	-0-	-0-	171,424	163,262
Sundry Charges	-0-	76,877	5,887	-0-	-0-	82,764	75,958
Total Operating Expenses	1,415,381	714,811	1,340,349	277,655	186,507	3,934,703	3,070,796
Operating Income (Loss) Before Depreciation	1,667,483	158,885	(235,279)	9,748	(10,775)	1,590,062	2,133,471
Depreciation	1,607,987	157,243	-0-	-0-	-0-	1,765,230	1,722,173
Operating Income (Loss)	59,496	1,642	(235,279)	9,748	(10,775)	(175,168)	411,298
Non-Operating Income (Expense):							
Interest Income	52,991	22,560	67,400	5,724	23,299	171,974	338,699
Change in the Fair Value of Investments	(5,675)	(2,082)	(6,400)	(1,114)	(3,290)	(18,561)	-0-
Other	(106,590)	(141,181)	-0-	-0-	-0-	(247,771)	56,670
Non-Operating Income - Net	(59,274)	(120,703)	61,000	4,610	20,009	(94,358)	395,369
Income (Loss) Before Operating Transfers	222	(119,061)	(174,279)	14,358	9,234	(269,526)	806,667
Operating Transfers In	-0-	-0-	-0-	-0-	-0-	-0-	131,743
Operating Transfers Out	-0-	(100,000)	(360,000)	-0-	-0-	(460,000)	(300,000)
Net Income (Loss)	222	(219,061)	(534,279)	14,358	9,234	(729,526)	638,410
Unreserved Retained Earnings,							
Beginning of Year	9,156,219	1,285,297	2,009,795	374,259	24,000	12,849,570	12,211,160
Unreserved Retained Earnings,							
End of Year	\$9,156,441	\$1,066,236	\$1,475,516	\$388,617	\$33,234	\$12,120,044	\$12,849,570

SANDY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	FLEET OPERATIONS	INFORMATION SERVICES	INSURANCE & RISK MANAGEMENT	EQUIPMENT MANAGEMENT	PAYROLL MANAGEMENT	TOTALS	
						2002	2001
Increase (Decrease) in Cash and Cash Equivalents:							
Cash Flows from Operating Activities:							
Operating Income (Loss)	\$59,496	\$1,642	(\$235,279)	\$9,748	(\$10,775)	(\$175,168)	\$411,298
Adjustment to Reconcile Operating Income (Loss) to							
Net Cash Provided (Used) by Operating Activities:							
Depreciation	1,607,987	157,243	-0-	-0-	-0-	1,765,230	1,722,173
Changes in Assets and Liabilities							
Inventory	10,422	-0-	-0-	-0-	-0-	10,422	6,407
Other Assets	-0-	(1,551)	-0-	-0-	-0-	(1,551)	397,660
Accounts Payable	16,172	(15,456)	(9,682)	(30,840)	-0-	(39,806)	35,323
Wages, Salaries, and Benefits Payable	2,033	1,176	1,992	-0-	133,374	138,575	(59,788)
Compensated Absences Payable	-0-	-0-	-0-	-0-	-0-	-0-	1,060,025
Claims and Judgments Payable	-0-	-0-	44,895	-0-	-0-	44,895	(108,692)
Change in the Fair Value of Investments	(5,675)	(2,082)	(6,400)	(1,114)	(3,290)	(18,561)	-0-
Net Cash Provided (Used) by Operating Activities	1,690,435	140,972	(204,474)	(22,206)	119,309	1,724,036	3,464,406
Cash Flows from Noncapital Financing Activities:							
Net Operating Transfers	-0-	(100,000)	(360,000)	-0-	-0-	(460,000)	(168,257)
Cash Flows from Capital Financing Activities:							
Acquisition of Capital Assets	(1,714,966)	(42,127)	-0-	-0-	-0-	(1,757,093)	(2,439,143)
Proceeds from Sale of Assets	137,619	-0-	-0-	-0-	-0-	137,619	106,059
Net Cash Used by Capital Financing Activities	(1,577,347)	(42,127)	-0-	-0-	-0-	(1,619,474)	(2,333,084)
Cash Flows from Investing Activities:							
Interest Income Received	52,991	22,560	67,400	5,724	23,299	171,974	338,699
Net Increase (Decrease) in Cash and Cash Equivalents	166,079	21,405	(497,074)	(16,482)	142,608	(183,464)	1,301,764
Cash and Cash Equivalents - Beginning of Year	1,949,883	754,989	2,883,518	431,732	1,084,025	7,104,147	5,802,383
Cash and Cash Equivalents - End of Year	\$2,115,962	\$776,394	\$2,386,444	\$415,250	\$1,226,633	\$6,920,683	\$7,104,147

EXPENDABLE TRUST FUND

Trust Funds are used to account for assets held by the City in a trustee capacity. The Expendable Trust Fund was established to account for individual, private and intergovernmental contributions held in trust by the City for a specific purpose.

SANDY CITY
EXPENDABLE TRUST FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS:		
Cash and Cash Equivalents	<u>\$661,345</u>	<u>\$535,072</u>
Total Assets	<u><u>\$661,345</u></u>	<u><u>\$535,072</u></u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	\$6,250	\$4,680
Fund Balance - Unreserved	<u>655,095</u>	<u>530,392</u>
Total Liabilities and Fund Balance	<u><u>\$661,345</u></u>	<u><u>\$535,072</u></u>

SANDY CITY
EXPENDABLE TRUST FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
Revenues:		
AFIS	\$79,339	\$ -0-
Animal Control Donations	3,028	1,237
Bike Patrol	20	941
Car Show	52	1,572
Crime Prevention	417	267
Dare Program	14,560	15,440
Evidence Money	51,798	-0-
Fire Donations	7,384	761
Fire Grants	81,987	-0-
Forfeitures	52,862	47,372
Golf Tournament	11,718	21,842
JRC Baliff	-0-	-0-
LLEBG	53,773	-0-
Meth Video	248	591
Miss Sandy Pagent	3,035	2,270
Police Corps Grant	80,000	-0-
Power Line Burying	-0-	-0-
Property Abatement	3,843	1,205
Public Works Trust Fund	2,188	901
Senior Citizen Center	55	267
Spay & Neuter Program	5,376	6,612
Traffic Safety Team	2,090	1,470
Training Program	73	3,642
UTOPIA	116,984	-0-
Miscellaneous Programs	192	439
Total Revenues	571,022	106,829
Expenditures:		
AFIS	106,339	-0-
Animal Control Donations	12	2,400
Bike Patrol	-0-	1,035
Car Show	-0-	1,458
Crime Prevention	387	-0-
Dare Program	17,017	5,127
Fire Donations	7,071	911
Fire Grants	84,065	-0-
Forfeitures	27,211	38,847
Golf Tournament	13,820	28,577
JRC Baliff	-0-	11,966
LLEBG	58,750	-0-
Meth Video	1,170	2,621
Miss Sandy Pagent	2,451	1,922
Police Corps Grant	80,000	-0-
Power Line Burying	36,400	-0-
Property Abatement	1,895	9,053
Public Works Trust Fund	1,208	676
Senior Citizen Center	-0-	4,323
Spay & Neuter Program	2,235	3,161
Traffic Safety Team	4,194	1,471
Training Program	-0-	2,268
UTOPIA	-0-	-0-
Miscellaneous Programs	320	-0-
Total Expenditures	444,545	115,816
Excess (Deficiency) of Revenues Over (Under) Expenditures	126,477	(8,987)
Other Financing Sources (Uses):		
Change in the Fair Value of Investments	(1,774)	-0-
Operating Transfer In	-0-	32,000
Total Other Financing Sources (Uses):	(1,774)	32,000
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	124,703	23,013
Unreserved Fund Balance, Beginning of Year	530,392	507,379
Unreserved Fund Balance, End of Year	\$655,095	\$530,392

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GENERAL FIXED ASSET ACCOUNT GROUP

SANDY CITY
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
General Fixed Assets:		
Land	\$20,946,202	\$17,621,082
Buildings	22,790,719	21,428,008
Improvements other than Buildings	8,401,095	7,186,254
Machinery and Equipment	1,269,993	1,880,911
Autos and Trucks	67,116	96,346
Construction In Progress	<u>7,169,224</u>	<u>5,829,131</u>
Total General Fixed Assets	<u>\$60,644,349</u>	<u>\$54,041,732</u>
Investment in General Fixed Assets by Source:		
General Fund	\$762,190	\$1,416,939
Capital Projects Fund	59,248,624	51,991,258
Special Revenue Fund	<u>633,535</u>	<u>633,535</u>
Total Investment in General Fixed Assets	<u>\$60,644,349</u>	<u>\$54,041,732</u>

SANDY CITY
SCHEDULE OF GENERAL FIXED ASSETS - BY DEPARTMENT
AS OF JUNE 30, 2002

	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	AUTOS AND TRUCKS	CONSTRUCTION IN PROGRESS	TOTAL
General Government:							
Mayor	\$1,344,045	\$ -0-	\$ -0-	\$2,041	\$ -0-	\$ -0-	\$1,346,086
City Administrator	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Council	-0-	-0-	-0-	6,343	-0-	-0-	6,343
Attorney	-0-	-0-	-0-	46,059	-0-	-0-	46,059
Administrative Services							
(Including Building Services)	989,874	10,271,419	561,750	49,894	-0-	-0-	11,872,937
Total General Government	2,333,919	10,271,419	561,750	104,337	-0-	-0-	13,271,425
Public Safety:							
Police Department							
(Including Animal Control)	116,857	333,400	91,647	241,061	67,116	-0-	850,081
Fire Department	619,613	3,715,477	81,758	298,997	0	-0-	4,715,845
Total Public Safety	736,470	4,048,877	173,405	540,058	67,116	-0-	5,565,926
Public Works	2,674,459	900,142	132,733	460,775	-0-	-0-	4,168,109
Parks and Recreation	15,019,645	7,295,173	7,533,207	97,533	-0-	-0-	29,945,558
Community Development	-0-	275,108	-0-	52,659	-0-	-0-	327,767
Redevelopment Agency	181,709	-0-	-0-	14,631	-0-	-0-	196,340
Construction in Progress	-0-	-0-	-0-	-0-	-0-	7,169,224	7,169,224
Total General Fixed Assets	\$20,946,202	\$22,790,719	\$8,401,095	\$1,269,993	\$67,116	\$7,169,224	\$60,644,349

SANDY CITY
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2002

	GENERAL FIXED ASSETS 07/01/01	ADDITIONS	DEDUCTIONS	GENERAL FIXED ASSETS 06/30/02
General Government:				
Mayor	\$1,355,103	\$ -0-	\$9,017	\$1,346,086
City Administrator	6,615	-0-	6,615	-0-
Council	14,946	-0-	8,603	6,343
Attorney	104,444	-0-	58,385	46,059
Administrative Services				
(Including Building Services)	11,903,471	79,758	110,292	11,872,937
Total General Government	13,384,579	79,758	192,912	13,271,425
Public Safety:				
Police Department				
(Including Animal Control)	1,134,156	210,438	494,513	850,081
Fire Department	3,364,778	1,468,327	117,260	4,715,845
Total Public Safety	4,498,934	1,678,765	611,773	5,565,926
Public Works	3,161,415	1,156,197	149,503	4,168,109
Parks and Recreation	26,605,487	3,456,913	116,842	29,945,558
Community Development	361,896	18,624	52,753	327,767
Redevelopment Agency	200,290	-0-	3,950	196,340
Construction in Progress	5,829,131	3,364,022	2,023,929	7,169,224
Total General Fixed Assets	\$54,041,732	\$9,754,279	\$3,151,662	\$60,644,349

STATISTICAL SECTION

SANDY CITY
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS	PARKS & RECREATION	COMMUNITY DEVELOPMENT	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
1993	\$3,674,548	\$7,315,858	\$2,795,425	\$1,144,390	\$1,378,396	\$9,735,204	\$3,446,265	\$29,490,086
1994	4,124,948	7,727,357	3,000,222	1,286,401	1,336,418	3,422,257	1,105,570	22,003,173
1995	6,351,085	8,791,865	3,357,410	1,592,177	1,547,693	7,446,155	1,585,529	30,671,914
1996	5,549,568	9,974,410	3,813,011	1,677,171	1,723,209	7,129,439	1,918,197	31,785,005
1997	6,306,893	10,745,591	3,711,521	1,742,548	1,559,936	8,891,427	1,966,948	34,924,864
1998	6,818,145	11,610,820	3,382,383	2,068,876	2,015,563	11,858,633	4,714,810	42,469,230
1999	7,137,140	12,358,552	4,438,244	1,955,862	1,785,779	6,031,432	9,387,286	43,094,295
2000	7,525,681	14,009,283	3,124,693	2,118,019	1,834,495	16,950,329	4,578,605	50,141,105
2001	6,560,569	14,509,321	3,755,793	2,647,486	2,094,392	7,513,701	5,626,164	42,707,426
2002	7,073,798	16,025,672	4,183,238	2,934,331	2,047,383	11,394,416	6,076,447	49,735,285

Notes:

(1) Includes General, Special Revenue, Capital Projects, and Debt Service Funds.

Source: Sandy City Department of Finance

SANDY CITY
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES AND SPECIAL ASSESSMENTS	LICENCES AND PERMITS	INTER- GOVERN- MENTAL	INTERNAL CHARGES FOR SERVICES	FINES AND FORFE- ITURES	INTEREST	MISCEL- LANEOUS	FEES FROM DEVELOPERS	TOTAL
1993	\$15,130,583	\$1,296,476	\$2,430,674	\$1,592,081	\$514,967	\$558,836	\$43,854	\$781,165	\$22,348,636
1994	15,573,795	1,272,111	2,042,975	1,657,282	812,725	527,160	31,675	906,886	22,824,609
1995	17,806,023	1,246,431	2,721,485	1,448,872	842,402	713,429	204,765	841,217	25,824,624
1996	19,830,171	1,647,722	2,498,285	1,558,268	1,122,339	594,370	277,667	792,161	28,320,983
1997	22,150,967	1,719,519	3,253,534	1,562,357	1,360,502	866,023	290,501	493,279	31,696,682
1998	23,651,194	2,075,450	4,363,856	1,634,945	1,431,439	1,062,506	290,469	1,234,188	35,744,047
1999	25,726,597	1,825,829	4,330,431	1,645,324	1,342,233	1,159,210	423,589	453,742	36,906,955
2000	27,195,760	1,963,715	5,136,757	1,903,784	1,781,769	1,490,346	522,885	539,163	40,534,179
2001	29,643,271	1,818,123	4,768,033	1,956,973	2,021,941	1,722,796	596,933	247,567	42,775,637
2002	32,494,781	1,690,617	5,409,297	2,172,765	2,305,515	773,524	845,059	624,627	46,316,185

Notes:

(1) Includes General, Special Revenue, Capital Projects, and Debt Service Funds.

Source: Sandy City Department of Finance

SANDY CITY
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

FISCAL YEAR	PROPERTY TAX	GENERAL SALES TAX	FRANCHISE TAX	MOTOR VEHICLE FEE	TOTAL
1993 (1)	\$3,623,889	\$7,441,759	\$2,644,727	\$430,794	\$14,141,169
1994	3,732,722	7,175,087	2,804,357	588,449	14,300,615
1995	4,160,823	8,680,774	2,985,714	665,362	16,492,673
1996	4,438,745	9,930,024	3,005,920	724,178	18,098,867
1997	4,726,068	11,241,249	3,317,575	905,820	20,190,712
1998	4,722,238	11,828,528	3,583,515	859,948	20,994,229
1999	4,865,626	12,966,383	3,483,868	966,216	22,282,093
2000	5,092,701	14,080,123	3,603,078	764,085	23,539,987
2001	5,737,847	14,773,043	4,435,823	721,930	25,668,643
2002	6,746,658	14,740,321	4,501,770	867,215	26,855,964

Notes:

(1) Motor vehicle property tax was removed in 1993 and replaced with a fee.

Source: Sandy City Department of Finance

SANDY CITY
PROPERTY TAX ASSESSMENTS, COLLECTIONS AND LEVIES
LAST TEN FISCAL YEARS

FISCAL YEAR	ASSESSMENTS AND COLLECTIONS				TAX LEVIES				OUTSTANDING DELINQUENT TAXES
	ASSESSED VALUATION	TAXES ASSESSED	CURRENT TAX COLLECTIONS (1)	PERCENT OF LEVY COLLECTED	GENERAL FUND	DEBT SERVICE FUND	RISK MANAGEMENT FUND	TOTAL	
1993 (2)	\$1,704,598,048	\$3,668,295	\$3,500,119	95.4%	0.002054	0.000098	0.000000	0.002152	\$407,977
1994	1,770,523,596	3,939,415	3,794,901	96.3%	0.002122	0.000103	0.000000	0.002225	322,897
1995	1,965,774,867	4,426,925	4,257,249	96.2%	0.002149	0.000103	0.000000	0.002252	298,480
1996	2,637,587,808	4,716,007	4,572,893	97.0%	0.001706	0.000082	0.000000	0.001788	263,906
1997	2,889,456,769	5,079,665	4,898,750	96.4%	0.001678	0.000080	0.000000	0.001758	247,382
1998	3,256,316,583	5,184,056	5,000,019	96.4%	0.001517	0.000075	0.000000	0.001592	259,606
1999	3,409,092,299	5,427,275	5,249,645	96.7%	0.001530	0.000076	0.000000	0.001606	299,743
2000	3,585,929,560	5,673,385	5,444,197	96.0%	0.001537	0.000078	0.000000	0.001615	355,045
2001	3,802,131,432	6,798,211	6,499,879	95.6%	0.001613	0.000075	0.000100	0.001788	429,457
2002	4,037,679,082	7,913,851	7,597,954	96.0%	0.00179	0.000073	0.000097	0.001960	482,940

Notes:

- (1) Current tax collections column includes amounts remitted to redevelopment agencies.
- (2) The state of Utah imposed a uniform 1.7% fee on motor vehicles rather than using a tax rate as in prior years.

Source: Sandy City Department of Finance

SANDY CITY
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>ASSESSED VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE</u>
1993 (1)	\$1,704,598,048	\$2,311,455,117	74%
1994	1,770,523,596	2,415,928,378	73%
1995	1,965,774,867	2,608,043,531	75%
1996	2,637,587,808	4,157,133,530	63%
1997	2,889,456,769	4,548,513,696	64%
1998	3,256,316,583	5,142,745,684	63%
1999	3,409,092,299	5,317,298,007	64%
2000	3,585,929,560	5,541,482,116	65%
2001	3,802,131,432	5,885,828,378	65%
2002	4,037,679,082	6,161,254,606	66%

Notes:

- (1) The State of Utah imposed a uniform 1.7% fee on motor vehicles rather than using a tax rate as prior years.

Source: Salt Lake County Auditor's Office

SANDY CITY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

FISCAL YEAR	SANDY CITY	SALT LAKE COUNTY (NOTE 1)	JORDAN SCHOOL DISTRICT	SALT LAKE COUNTY LIBRARY	SPECIAL DISTRICTS (NOTE 2)	TOTAL	TOTAL TAX RATE RANGE (NOTE 3)	
							LOW	HIGH
1993	.002152	.004492	.009299	.000789	.001927	.018659	.017452	.019788
1994	.002225	.004436	.009706	.000780	.001969	.019116	.017878	.020222
1995	.002252	.004386	.009667	.000778	.002003	.019086	.017849	.020159
1996	.001788	.003831	.007262	.000669	.001645	.015195	.014194	.015861
1997	.001758	.003782	.006392	.000647	.001573	.014152	.013210	.014424
1998	.001592	.003551	.006504	.000608	.001539	.013788	.012917	.014041
1999	.001606	.002805	.006561	.000607	.001267	.012846	.012247	.013107
2000	.001615	.003246	.007582	.000625	.001258	.014326	.013738	.014590
2001	.001788	.002904	.008845	.000583	.001260	.015380	.014761	.015601
2002	.001960	.003025	.008424	.000764	.001390	.015563	.014801	.015822

Notes:

- (1) Includes General Salt Lake County Charges.
- (2) Includes South Salt Lake County Mosquito District, Salt Lake County Water District, Sandy Suburban Improvement District, and Central Utah Water District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.
- (3) Since special districts apply to only a portion of the City, these columns show the total tax rate range. The other special districts not included in Note 2 are Salt Lake Suburban District #2, Cottonwood Sanitary District, Salt Lake County Sewerage District #1, Crescent Cemetery District, and Alta Canyon Recreation Special Service District.

Source: Salt Lake County Auditor

SANDY CITY
TOP TEN PRINCIPAL PROPERTY TAXPAYERS
June 30, 2002

TAXPAYER	TYPE OF BUSINESS	2001 ASSESSED PROPERTY VALUATION	PERCENT OF TOTAL ASSESSED VALUATION
Macerich Co.	Real Estate Investment Trust	\$107,265,500 (2)	2.66%
Lawrence & Karen Miller	Auto Mall/Business Complex	90,261,250 (2)	2.24%
Qwest Communications	Telephone Communications	38,223,141 (1)	0.95%
Pacificorp	Electric Utility	30,743,645 (1)	0.76%
The Boyer Company	Commercial & Office Development	27,634,700 (2)	0.68%
Magna Investment	Commercial & Office Development	24,996,600 (2)	0.62%
Workers Compensation Fund	Real Estate Investment Trust	19,829,100 (2)	0.49%
Mariemont Corp.	Sandy Mall	18,389,400 (2)	0.46%
Smith Food King	Grocery Retail Chain	17,298,000 (2)	0.43%
Security Capital Pacific	Apartment Complex	16,853,245 (2)	0.42%
Total		<u>\$391,494,581</u>	9.71%

Notes:

(1) Source: Utah State Tax Commission.

(2) Source: Salt Lake County Assessment Records.

**SANDY CITY
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>SPECIAL ASSESSMENTS BILLINGS</u>	<u>SPECIAL ASSESSMENTS COLLECTED (1)</u>	<u>RATIO OF COLLECTIONS TO AMOUNT DUE</u>	<u>TOTAL OUTSTANDING ASSESSMENTS</u>
1993	\$725,344	\$387,370	53.41%	\$3,571,717
1994	344,717	488,609	141.74%	3,262,480
1995	272,556	236,537	86.78%	3,044,216
1996	261,639	419,707	160.41%	2,597,204
1997	278,934	350,992	125.83%	2,410,000
1998	248,249	248,249	100.00%	2,310,000
1999	207,388	207,388	100.00%	2,205,000
2000	244,618	244,618	100.00%	2,095,000
2001	247,139	247,139	100.00%	1,975,000
2002	250,879	250,879	100.00%	1,850,000

Notes:

(1) Includes prepayments.

Source: Sandy City Department of Finance

SANDY CITY
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2002

Assessed Valuation:	
Primary Residential	\$2,575,238,490
All Other	1,462,440,592
Total Assessed Valuation	<u>\$4,037,679,082</u>
Reasonable Fair Cash Value	<u>\$6,161,254,606</u>

	GENERAL - 4%	WATER AND SEWER - 4%	TOTAL - 8%
Debt Limit - 8% of Reasonable Fair Cash Value (1)	\$246,450,184	\$246,450,184	\$492,900,368
Less Outstanding General Obligation Bonds	<u>5,735,000</u>	<u>-0-</u>	<u>5,735,000</u>
Debt Margin	<u>\$240,715,184</u>	<u>\$246,450,184</u>	<u>\$487,165,368</u>

Notes:

- (1) The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.

Source: Salt Lake County Auditor's Office

SANDY CITY**RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT (1)	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1993	84,240	\$1,704,598,048	\$8,065,000	\$8,065,000	0.47 %	\$96
1994	86,371	1,770,523,596	8,555,000	8,555,000	0.48	99
1995	90,520	1,965,774,867	7,815,000	7,815,000	0.40	86
1996	95,509	2,637,587,808	8,095,000	8,095,000	0.31	85
1997	96,678	2,889,456,769	7,755,000	7,755,000	0.27	80
1998	99,761	3,256,316,583	7,395,000	7,395,000	0.23	74
1999	100,822	3,409,092,299	7,015,000	7,015,000	0.21	70
2000	102,033	3,585,929,560	6,615,000	6,615,000	0.18	65
2001	88,419	3,802,131,432	6,190,000	6,190,000	0.16	70
2002	89,745	4,037,679,082	5,735,000	5,735,000	0.14	64

Notes:

(1) Includes All Long-Term General Obligation Debt.

Sources: Sandy City Community Development Department
Sandy City Department of Finance

SANDY CITY
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES(1)</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1992	\$395,000	\$272,975	\$667,975	\$21,085,794	3.2%
1993	-0-	\$502,476	\$502,476	\$29,490,086	1.7%
1994	-0-	502,477	502,477	22,003,173	2.3%
1995	250,000	496,228	746,228	30,671,914	2.4%
1996	385,000	321,606	706,606	31,785,005	2.2%
1997	340,000	408,730	748,730	34,924,864	2.1%
1998	360,000	390,660	750,660	42,469,230	1.8%
1999	380,000	371,048	751,048	43,094,295	1.7%
2000	400,000	349,844	749,844	50,141,105	1.5%
2001	425,000	326,863	751,863	42,707,426	1.8%
2002	455,000	301,808	756,808	49,735,285	1.5%

Notes:

This schedule includes only debt service for general obligation bonded debt to be paid by general operations of the City rather than from special assessment or enterprise operations.

(1) Includes General, Special Revenue, Capital Projects, and Debt Service Funds.

Source: Sandy City Department of Finance

SANDY CITY
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2002

	TOTAL DEBT	ATTRIBUTABLE TO CITY	
		PERCENT	AMOUNT
Direct General Obligation Debt	<u>\$5,735,000</u>	100.0 %	<u>\$5,735,000</u>
Overlapping Debt:			
State of Utah	1,193,200,000	3.6	42,955,200
CUWCD (1)	59,886,240	6.0	3,593,174
Salt Lake County	130,230,000	8.7	11,330,010
Jordan School District	191,145,000	26.3	50,271,135
Salt Lake County Sewerage District #1	1,630,000	25.0	407,500
Sandy Suburban Improvement District	<u>8,000,000</u>	40.0	<u>3,200,000</u>
Total Overlapping Debt	<u>1,584,091,240</u>		<u>111,757,019</u>
Total Overlapping Debt (Excluding the State)(2)	<u>390,891,240</u>		<u>68,801,819</u>
Total Direct and Overlapping Debt (Excluding the State)	<u><u>\$396,626,240</u></u>		<u><u>\$74,536,819</u></u>

Notes:

- (1) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the State issued under the Water Conservancy Act. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.
- (2) The State's general obligation debt is not included in overlapping debt because the State levies no property tax for payment of general obligation bonds.

Source: Zions Bank Public Finance

**SANDY CITY
WATER REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

FISCAL YEAR	GROSS REVENUE	DIRECT OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
1993	\$6,457,578	\$3,949,955	\$2,507,623	\$540,000	\$890,988	\$1,430,988	1.75
1994	7,024,041	4,193,909	2,830,132	495,000 (1)	891,604	1,386,604	2.04
1995	7,313,152	4,542,086	2,771,066	525,000	729,063	1,254,063	2.21
1996	8,235,233	5,290,340	2,944,893	560,000	696,008	1,256,008	2.34
1997	8,657,826	5,958,061	2,699,765	700,000	657,788	1,357,788	1.99
1998	8,835,057	5,688,787	3,007,527	745,000	613,813	1,358,813	2.21
1999	9,018,911	5,816,145	3,142,831	790,000	610,040	1,400,040	2.24
2000	10,311,370	6,538,517	3,715,152	845,000	513,969	1,358,969	2.73
2001	11,330,559	6,240,341	5,090,218	705,000	457,423	1,162,423	4.38
2002	13,412,729	6,969,192	6,443,537	750,000	415,638	1,165,638	5.53

Notes:

- (1) The total reduction in long term debt is \$8,055,000, of which \$7,560,000 represents defeasance of debt from bond refunding and \$495,000 represents reduction in bond principal.

Source: Sandy City Department of Finance

**SANDY CITY
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME</u>	<u># OF SQUARE MILES (1)</u>	<u>SUBDIVISION LOTS APPROVED (1)</u>	<u>UNEMPLOYMENT RATE (3)</u>
1993	84,240	N/A	21	357	3.1%
1994	86,371	N/A	21	464	2.6%
1995	90,520	N/A	21.9	362	2.5%
1996	95,509	N/A	21.9	221	2.5%
1997	96,678	N/A	22.6	238	2.4%
1998	99,761	N/A	22.7	210	3.1%
1999	100,822	N/A	22.8	207	2.6%
2000	102,033	N/A	22.8	281	2.1%
2001	88,419 (2)	N/A	22.8	195	2.4%
2002	89,745	N/A	22.8	174	4.3%

Notes:

(1) Source: Sandy City Community Development Department

(2) Source: U.S. Census

(3) Source: Utah Department of Employment Security

SANDY CITY
CONSTRUCTION AND PROPERTY VALUE (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		PROPERTY VALUE	
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	NON-RESIDENTIAL	RESIDENTIAL
1993	38	\$18,904,570	772	\$58,176,569	\$549,036,627 (2)	\$1,762,418,490
1994	39	29,841,037	545	54,898,103	532,409,798	1,883,518,580
1995	31	24,664,985	328	49,477,050	596,895,641	2,011,147,890
1996	39	40,990,801	316	42,828,770	715,248,480	3,441,885,050
1997	56	42,383,725	245	39,477,104	831,509,366	3,717,004,330
1998	62	126,652,157	279	72,265,056	979,312,004	4,163,433,680
1999	50	55,612,246	148	25,598,853	1,075,759,337	4,241,538,670
2000	41	65,762,470	151	29,142,513	1,140,722,766	4,400,759,350
2001	38	36,343,275	189	33,398,077	1,311,494,588	4,574,333,790
2002	33	34,767,969	156	30,029,877	1,479,002,806	4,682,251,800

Notes:

- (1) Bank deposit amounts are not shown on this schedule since Utah is a branch banking state, and deposit figures are currently available on a state wide basis only.
- (2) The State of Utah replaced the property tax on motor vehicles with a fee in lieu of taxes in 1993

Sources: Building permits issued by the Sandy City Building and Safety Division.

Sandy City Department of Finance

SANDY CITY
MISCELLANEOUS STATISTICS
JUNE 30, 2002

Date of Incorporation	1893
Form of Government	Council-Mayor
Area - Square Miles	22.8
Miles of Streets	289
Fire Protection:	
Number of Stations	5
Number of Firemen and Officers (excluding Volunteer Firemen)	76
Police Protection:	
Number of Stations	5
Number of Policemen and Officers	114
Municipal Water Department:	
Number of Consumers	28,444
Average Daily Consumption - Gallons	29,055,890
Miles of Water Mains	446
Recreation and Culture:	
Number of Parks (Including County Owned)	
Developed	30
Undeveloped	6
Number of Libraries (County Owned)	1
Employees:	649
Election Data:	
Registered Voters	58,245